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**中 彩 網 通 控 股 有 限 公 司**  
**China Netcom Technology Holdings Limited**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8071)**

**VOLUNTARY ANNOUNCEMENT**  
**FRAMEWORK AGREEMENT WITH GUANGZHOU LUYIN FOR THE**  
**DEVELOPMENT OF DIGITAL TV LOTTERY SALES PROJECTS**

The Board is pleased to announce that Huancai Puda, a subsidiary in which the Company has controlling interest, has entered into the Framework Agreement dated 28 July 2011 with Guangzhou Luyin, pursuant to which both parties agreed to co-operate in the development of digital TV lottery sales projects.

Guangzhou Luyin has the exclusive operation right of Lottery Purchasers Online which is a paid TV channel specializing in lottery services. Lottery Purchasers Online is a nationwide digital paid TV channel founded by Shanxi Radio and Television Station\* (山西廣播電視台) and approved by the State Administration of Radio Film and Television (國家廣播電影電視總局) which currently covers over 24 provinces such as Guangdong Province (廣東省), Hubei Province (湖北省), Hunan Province (湖南省), Liaoning Province (遼寧省), Jilin Province (吉林省), Shandong Province (山東省), Hainan Province (海南省), Shanxi Province (山西省), Hebei Province (河北省) and more than 300 cities and has over 80 million audiences in the PRC. Programs are rotationally broadcasted in Lottery Purchasers Online for 15 hours a day.

The details in the Framework Agreement (i.e. formation of a joint venture company to operate the co-operated projects), if materialised, may or may not constitute a notifiable transaction under Chapter 19 of the GEM Listing Rules. The Company will keep the Shareholders and potential investors of the Company informed of any material development in connection with the above matter (if any) by way of further announcement(s) as and when appropriate.

This announcement is made on voluntary basis in regard to the Framework Agreement in order to enhance the transparency of the Company.

## **THE FRAMEWORK AGREEMENT**

The Board is pleased to announce that Huancai Puda, a subsidiary in which the Company has controlling interest, has entered into the Framework Agreement dated 28 July 2011 with Guangzhou Luyin, pursuant to which both parties agreed to co-operate in the development of digital TV lottery sales projects. The Framework Agreement targeted at enlarging the market share and increasing the profitability of the digital TV lottery sales projects operated by the parties.

Pursuant to the Framework Agreement, both parties agreed to commence the strategic cooperation in the form of projects cooperation which could be generally categorized as follows:

### **(i) Technology cooperation**

Under this mode, Guangzhou Luyin will use the total technology solution provided by Huancai Puda in the existing projects or potential projects which may be acquired by it in the future. Huancai Puda will be responsible for the connection of underground network of such projects, starting the broadcasting for free, providing technical support and funding for such projects. Guangzhou Luyin will be responsible for (i) providing the time slots and content resources for the lottery sales business of the Lottery Purchasers Online in provincial or city level digital TV channels to the co-operated projects; and (ii) overall sales and operation. Under such mode, Huancai Puda will be entitled to receive part of the profit generated from the co-operated projects in proportion to its contribution (excluding the connection of underground network and sales operation costs) and Guangzhou Luyin will receive the remaining profit.

### **(ii) Projects initiated by Guangzhou Luyin**

Under this mode, Guangzhou Luyin will use the total technology solution provided by Huancai Puda in the existing projects or potential projects which may be acquired by it in the future. Huancai Puda will be responsible for (i) the connection of underground network of such projects, starting the broadcasting for free, providing technical support and funding for such projects; (ii) using the time slots and the content resources provided by Guangzhou Luyin for the lottery sales business of the Lottery Purchasers Online in provincial or city level digital TV channels to the co-operated projects; and (iii) the overall sales and operation. Huancai Puda will be entitled to receive part of the profit generated from the co-operated projects in proportion to its contribution (excluding the connection of underground network and sales operation costs) and Guangzhou Luyin will receive the remaining profit.

### **(iii) Projects initiated by Huancai Puda**

Under this mode, Huancai Puda will co-operate with Lottery Purchasers Online to explore new market in the name of Lottery Purchasers Online as to ensure the landing and sales of lottery by the co-operated projects. Huancai Puda will also be responsible for (i) using the time slots and the content resources provided by Guangzhou Luyin for lottery sales business of the Lottery Purchasers Online in provincial or city level digital TV channels to the co-operated projects; and (ii) the connection of underground network of such projects, starting the broadcasting for free, market exploration, providing technical support and funding for such projects and the overall

sales and operation. Huancai Puda will be entitled to receive part of the profit generated from the co-operated projects in proportion to its contribution (excluding the connection of underground network and sales operation costs) and Guangzhou Luyin will receive the remaining profit.

Pursuant to the Framework Agreement, the parties agreed to further co-operate in the form of equity cooperation (i.e, formation of a joint venture company to operate the co-operated projects) after completion of at least one co-operated project. The consideration for the possible formation of a joint venture company is still subject to negotiation and final determination. The Company currently anticipates that the possible formation of such joint venture company can be funded from its existing cash resources, but is examining the possibility of raising additional funds for the possible formation as well as for general corporate purposes, if market conditions are favourable. No agreements, letters of intent or memorandum of understanding in connection with any fund-raising activities have been entered into up to the date of this announcement.

The cooperation period for the Framework Agreement will be three years from the date of the Framework Agreement. If none of the co-operated project between the parties is obtained within three months from the date of the Framework Agreement, the Framework Agreement will be automatically terminated.

## **BACKGROUND OF GUANGZHOU LUYIN AND LOTTERY PURCHASERS ONLINE**

Guangzhou Luyin has the exclusive operation right of Lottery Purchasers Online which is a paid TV channel specializing in lottery services. Lottery Purchasers Online is a nationwide digital paid TV channel founded by Shanxi Radio and Television Station\* (山西廣播電視台) and approved by the State Administration of Radio Film and Television (國家廣播電影電視總局) which currently cover over 24 provinces such as Guangdong Province (廣東省), Hubei Province (湖北省), Hunan Province (湖南省), Liaoning Province (遼寧省), Jilin Province (吉林省), Shandong Province (山東省), Hainan Province (海南省), Shanxi Province (山西省), Hebei Province (河北省) and more than 300 cities and has over 80 million audiences in the PRC. Programs are rotationally broadcasted in Lottery Purchasers Online for 15 hours a day.

To the best knowledge, information and belief of the Directors, Guangzhou Luyin and its shareholder(s) are not connected persons of the Company and are independent of the Company and its connected persons.

The Board considers that the Framework Agreement was entered into in the ordinary course of business of the Group and on normal terms after arm's length negotiation. The Board considers that terms of the Framework Agreement are fair and reasonable and in the interests of the Company and Shareholders as a whole.

The details in the Framework Agreement (i.e. formation of a joint venture company to operate the co-operated projects), if materialised, may or may not constitute a notifiable transaction under Chapter 19 of the GEM Listing Rules. The Company will keep the Shareholders and potential investors of the Company informed of any material development in connection with the above matter (if any) by way of further announcement(s) as and when appropriate.

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“Company”	China Netcom Technology Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on GEM
“connected person(s)”	has the meaning ascribed thereto in the GEM Listing Rules
“Directors”	directors of the Company
“Framework Agreement”	the strategic cooperation framework agreement dated 28 July 2011 entered into between Huancai Puda and Guangzhou Luyin
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Guangzhou Luyin”	Guangzhou Luyin Investment Co., Limited*(廣州魯銀投資有限公司)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huancai Puda”	Shenzhen Huancai Puda Technology Company Limited*(深圳環彩普達科技有限公司), a subsidiary of which the Company has controlling interest
“Lottery Purchasers Online”	Central Digital TV Lottery Purchasers Online Channel*(中央數字電視彩民在綫頻道), a paid TV Channel specializing in lottery services which was founded by Shanxi Radio and Television Station* (山西廣播電視台) and approved by the State Administration of Radio Film and Television (國家廣播電影電視總局)
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Shareholders”	holders of the shares of the Company

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

By order of the Board  
**China Netcom Technology Holdings Limited**  
**Ng Kwok Chu, Winfield**  
*Executive Director*

Hong Kong, 8 August 2011

\* *For identification purpose only*

*As at the date of this announcement, the executive Directors are Mr. Leung Ngai Man, Mr. Ng Kwok Chu, Winfield and Ms. Wu Wei Hua; and the independent non-executive Directors are Dr. Leung Wai Cheung and Mr. Cai Wei Lun.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for a minimum period of 7 days from the date of its publication and on the Company’s website at [www.chinanetcomtech.com](http://www.chinanetcomtech.com).*