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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)**

**PROPOSED AMENDMENTS TO THE MEMORANDUM  
AND ARTICLES OF ASSOCIATION  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Proposed Amendments to the Memorandum and Articles of Association**

The board (“**Board**”) of directors (“**Directors**”) of China Netcom Technology Holdings Limited (“**Company**”) proposes to make certain amendments to the existing memorandum and articles of association of the Company (“**Memorandum and Articles of Association**”) regarding, amongst other things, the creation of the preferred shares with a par value of HK\$0.005 each in the share capital of the Company (“**Preferred Shares**”). The increase of the authorised share capital of the Company and the respective rights, privileges and restrictions of the Preferred Shares will have to be incorporated into the Memorandum and Articles of Association. Further, the Board also proposes to make certain amendment to align the Memorandum and Articles of Association with the provisions of Appendix 3 and Appendix 11 to the Rules Governing the Listing of Securities on the Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited (“**GEM Listing Rules**”) which require that the Company in general meeting shall have power by ordinary resolution to remove any Director before the expiration of his term of office pursuant to its articles of association. Resolutions will be proposed at an extraordinary general meeting of the Company to amend the Memorandum and Articles of Association. Details of the proposed amendments are set out in the section headed “Notice of Extraordinary General Meeting” in this announcement.

## Notice of Extraordinary General Meeting

**NOTICE IS HEREBY GIVEN** that the extraordinary general meeting (“EGM”) of the Company will be held at Unit 1006, 10th Floor, Tower One Lippo Centre, 89 Queensway, Hong Kong on Thursday, 22 November 2012 at 10:30 a.m. to consider and, if thought fit, pass the following resolutions, with or without amendment(s), as ordinary and special resolutions of the Company (as the case may be):

### ORDINARY RESOLUTION

- (1) **“THAT:**
- (a) the form and substance of the agreement (“**Loan Capitalisation Agreement**”) dated 29 August 2012 and entered into between the Company as issuer and Mr. Leung Ngai Man (“**Mr. Leung**”), a substantial shareholder, the chairman and an executive director of the Company, as subscriber in relation to the subscription of 1,563,333,333 preferred shares of HK\$0.005 each (“**Subscriber Preferred Shares**”) in the share capital of the Company at the price of HK\$0.60 per Subscriber Preferred Share by way of capitalising the outstanding amount of HK\$938,000,000 due to Mr. Leung by the Company pursuant to the promissory note in the principal amount of HK\$1,200,000,000 executed by the Company in favour of Mr. Leung (“**Loan Capitalisation**”) (a copy of the Loan Capitalisation Agreement has been produced to the meeting and marked “A” and initialed by the chairman of the meeting for identification purpose), as mentioned in the circular (“**Circular**”) of the Company dated 29 October 2012 (a copy of which has been produced to the meeting marked “B” and initialed by the chairman of the meeting for the purpose of identification) and all the transactions contemplated thereby) be and are hereby approved, confirmed and ratified;
  - (b) subject to completion of the Loan Capitalisation, the authorised share capital of the Company be and is hereby increased from HK\$100,000,000 to HK\$110,000,000 by the creation of an additional 2,000,000,000 new preferred shares of par value HK\$0.005 each, having the rights and restrictions as set out in the amendments to the Memorandum and Articles of Association in resolution (2) under the special resolutions set out in this notice, and the Company’s memorandum of association be amended as set out in resolution (2)(ii) under the special resolution of this notice;
  - (c) subject to completion of the Loan Capitalisation, the creation and issue of the Preferred Shares, and subject to the terms of the Loan Capitalisation Agreement, be and are hereby approved and the allotment and issue of the ordinary shares with a par value of HK\$0.005 each in the share capital of the Company (“**Ordinary Shares**”) (as such term is described in Appendix II to the Circular) upon the exercise of the conversion rights attaching to the Preferred Shares be and are hereby approved; and
  - (d) the Directors be and are hereby authorised to do all such acts and things, to sign and execute all such further documents and to take such steps as the Directors in their discretion may consider necessary, appropriate, desirable or expedient to give effect to or

in connection with the Loan Capitalisation Agreement, the creation of the Preferred Shares, the allotment and issue of the Subscriber Preferred Shares and Ordinary Shares upon exercise of the conversion rights attaching to the Subscriber Preferred Shares or any of the transactions contemplated under the Loan Capitalisation Agreement and to agree to such variation, amendments or waiver or matters relating thereto (including any variation, amendments or waiver of such documents, which are not fundamentally different from those as provided under the Loan Capitalisation Agreement) as are, in the opinion of the Directors, in the interests of the Company and its shareholders as a whole.”

### SPECIAL RESOLUTIONS

(2) “**THAT** the memorandum of association (“**Memorandum**”) and the articles of association (“**Articles**”) of the Company be and are hereby amended as follows:

- (i) by deleting the words “1998” after the words “Except as prohibited or limited by the Companies Law (“ on the first line of the existing Clause 4 of the Memorandum;
- (ii) by deleting the words “The share capital of the Company is US\$50,000.00 divided into 50,000 shares of a nominal or par value of US\$1.00 each” before the words “with power for the Company insofar as is permitted by law” in the first sentence of the existing Clause 6 of the Memorandum and replacing them with “The share capital of the Company is HK\$110,000,000 divided into 20,000,000,000 Ordinary Shares of a nominal or par value of HK\$0.005 each and 2,000,000,000 Preferred Shares of a nominal or par value of HK\$0.005 each,” and by deleting the words “1998” before the word “Revision)” in the first sentence of the existing Clause 6 of the Memorandum;
- (iii) by deleting the notes to the existing Clause 6 of the Memorandum in its entirety;
- (iv) by deleting and replacing the existing definition of “Company” in the section headed “Interpretation” in Article 2 in its entirety with “China Netcom Technology Holdings Limited 中彩網通控股有限公司”;
- (v) by deleting the word “registared” before the words “holder from time to time” in the existing definition of “Member” in the section headed “Interpretation” in Article 2 and replacing it with “registered”;
- (vi) by the addition of the following new definitions into the section headed “Interpretation” in Article 2:

“Ordinary Shares”            ordinary shares with a par value of HK\$0.005 each constituting the ordinary share capital of the Company from time to time;

“Preferred Shares” preferred shares with a par value of HK\$0.005 each in the share capital of the Company, entitling the holder thereof to convert into Ordinary Shares, the terms of which are set out in Article 15A;

“shares” shares (including Ordinary Shares or Preferred Shares) in the share capital of the Company, issued or to be issued by the Company;

(vii) by deleting and replacing the existing Article 3(1) in its entirety with the following:

“3. (1) The share capital of the Company shall be divided into Ordinary Shares of HK\$0.005 each and Preferred Shares of HK\$0.005 each. The Preferred Shares shall confer on the holders thereof the rights and privileges and be subject to the restrictions as set out in Article 15A.”;

(viii) by adding the words “(including, without restriction, Article 15A)” after the words “and the Memorandum and Articles of Association” on the first line of paragraph (1) of Article 8;

(ix) by adding the words “and Article 15A” after the words “Subject to the Law” on the first line of Article 9;

(x) by adding the words “and Article 15A” after the words “Subject to the Law” on the first line of Article 10;

(xi) by deleting the words “The special rights” before the words “conferred upon the holders of any shares” on the first line of Article 11 and replacing them with “Subject to Article 15A, the special rights”;

(xii) by inserting the following new Article 15A immediately after the existing Article 15:

“15A. Notwithstanding other provisions of these Articles, the Preferred Shares shall confer on the registered holders thereof the following rights and privileges and be subject to the following rights, restrictions and provisions:

**(1) As regards terms of the Preferred Shares and conversion**

(a) The term of the Preferred Shares commences from the date of issue of the relevant Preferred Shares.

(b) During the period of the existence of the Preferred Shares, each holder of the Preferred Shares shall have the right at any time and from time to time to convert all or part (any conversion in part being in amounts or integral multiples of 5,000 Ordinary Shares or such other number as may for the time

being be a board lot of Ordinary Shares on the Designated Stock Exchange) of his holding of such Preferred Shares into fully paid Ordinary Shares (subject as provided below).

- (c) The right to convert shall be exercisable on any date by completing the notice of conversion endorsed on the certificate relating to the Preferred Shares to be converted (“**Conversion Notice**”) and delivering it (together with such other evidence (if any) as the Directors may reasonably require to prove the title of the person exercising such right) to the Company, such Conversion Notice to specify the date when the conversion is to become effective (“**Conversion Date**”) provided that if any Conversion Date would otherwise fall on a Saturday, Sunday or other day which is a public holiday in Hong Kong, such Conversion Date shall be the next day which is not such a public holiday. A Conversion Notice once given may not be withdrawn without the consent in writing of the Company.
- (d) Each Preferred Share can, subject to adjustment as described below, be converted into one Ordinary Share.
- (e) Conversion of the Preferred Shares may be effected in such manner as the Board shall from time to time reasonably determine (subject to the provisions of the applicable laws and regulations). Notwithstanding any provisions herein to the contrary, the Board shall have the right to defer the allotment and issue of the Ordinary Shares to a date falling ninety (90) days after conversion or such longer period as the Board shall reasonably consider appropriate and necessary in the event a conversion will (i) trigger a mandatory offer obligation under Rule 26 of The Codes on Takeovers and Mergers and Share Repurchases issued by the Securities and Futures Commission of Hong Kong on the part of the Preferred Shares holder who exercised the conversion rights; or (ii) result in the failure by the Company to comply with the level of public float prescribed in the rules of any Designated Stock Exchange from time to time (“**Public Float Requirement**”). Notwithstanding any provision to the contrary contained herein, the Company shall be entitled to defer the allotment and issue of the Ordinary Shares to until the proposal by the holder of the Preferred Shares to restore the public float is implemented to its satisfaction.
- (f) The Company shall not later than the expiration of twenty-eight (28) days after conversion despatch the share certificates for the Ordinary Shares resulting from conversion and, if appropriate, the share certificates for any balance of the Preferred Shares remaining unconverted.
- (g) Ordinary Shares resulting from conversion shall rank pari passu in all respects and form one class with the Ordinary Shares then in issue and fully paid.

- (h) If whilst any of the Preferred Shares remains capable of conversion to Ordinary Shares, the Company shall make any issue by way of capitalisation of profits or reserves including any share premium account to members of the Company, such issue shall be made only to the holders of the Ordinary Shares and shall be in the form of fully paid Ordinary Shares and the number of Ordinary Shares arising on any subsequent conversion of Preferred Shares shall be increased pro rata. Provided that (A) no such adjustment shall be made if the said issue of fully paid Ordinary Shares shall have been made in lieu of the payment of any dividend (or part thereof) pursuant to arrangements whereby a holder of Ordinary Shares shall be given the right in respect of the same to make an election to receive cash or to receive new Ordinary Shares issued by way of capitalisation and (B) the Company shall not make any such capitalisation issue (other than such a capitalisation issue as is referred to in proviso (A) above) unless the Company has sufficient profits or reserves and immediately following the date on such capitalisation issue the Company shall be able to pay its debts as they fall due in the ordinary course of business.
- (i) If the Company shall sub-divide or consolidate the Ordinary Shares while there remain outstanding any Preferred Shares capable of being converted into Ordinary Shares, the number of Ordinary Shares into which the Preferred Shares may be converted on any subsequent conversion shall, in the case of a sub-division be increased, or in the case of a consolidation, be reduced, in due proportion as if the Preferred Shares were also so sub-divided or consolidated.
- (j) If whilst any of the Preferred Shares remains capable of conversion to Ordinary Shares, any offer or invitation by way of rights or otherwise (not being an offer or invitation to which the provisions of sub-paragraph (k) below apply) is made to the holders of the Ordinary Shares, the Company shall make or, so far as it is able, procure that there is made a like offer or invitation at the same time to each holder of Preferred Shares as if his conversion rights had been exercisable and exercised in full on the record date for such offer or invitation.
- (k) If whilst any of the Preferred Shares remain capable of conversion to Ordinary Shares, an offer is made to the holders of Ordinary Shares (or such holders other than the offeror and/or any company controlled by the offeror and/or any persons acting in concert with the offeror) to acquire the whole or any of the issued Ordinary Shares and the Company becomes aware that the right to cast more than fifty (50) per cent of the votes which may ordinarily be cast on a poll at a general meeting of the Company has or will become vested in the offeror and/or such companies or persons aforesaid, the Company shall give written notice to all holders of the Preferred Shares of such vesting as soon as practicable but in no event later than fourteen (14) days of its becoming so aware.

(1) If whilst any of the Preferred Shares remain capable of conversion to Ordinary Shares a notice is given by the Company to the Members to convene a general meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same day as or soon after it despatches such notice to each Member give notice thereof to all holders of Preferred Shares (together with a notice of the existence of this provision) and thereupon, each holder of Preferred Shares shall be entitled to exercise all or any of his conversion rights at any time no later than five (5) business days prior to the proposed general meeting of the Company by giving the Conversion Notice to the Company whereupon the Company shall as soon as possible and, in any event, no later than two clear business days immediately prior to the date of the proposed general meeting referred to above, allot and issue the relevant number of Ordinary Shares to such holder of Preferred Shares credited as fully paid.

**(2) As regards income and capital**

- (a) The Preferred Shares shall rank pari passu with the Ordinary Shares as to the right to receive dividends and other distributions declared made or paid on the ordinary share capital of the Company.
- (b) The Preferred Shares shall rank pari passu with the Ordinary Shares for return of capital on liquidation and participation in the distribution of surplus assets of the Company with all other shares in the capital of the Company for the time being in issue.

**(3) As regards further participation**

The Preferred Shares shall not carry any right to participate in profits or assets of the Company beyond such rights as are expressly set out in the terms of the Preferred Shares.

**(4) As regards voting**

The Preferred Shares shall not entitle the holders thereof to any voting rights save and except as provided in paragraph (6) below.

**(5) As regards documents**

While any of the Preferred Shares remain outstanding, the Company shall send to the holders of Preferred Shares, for information only, a copy of every document sent to the holders of other shares of the Company at the same time as it is sent to such holders.

**(6) As regards variation of rights**

Subject to the applicable laws, the Company shall not vary, alter or abrogate, or permit or cause the variation, alteration or abrogation of, all or any of the rights or privileges attached to the Preferred Shares without both the prior consent of a majority of the holders of the Ordinary Shares and a separate consent of the Preferred Shares holders of not less than seventy-five (75) per cent of the outstanding Preferred Shares for the time being.

**(7) As regards dealings by connected person**

Subject to the requirements of the rules of the Designated Stock Exchange from time to time (in particular those in relation to connected transactions) and the restriction on transfer as provided in paragraph (10) below and any other applicable regulations, the Preferred Shares may be issued to any connected person of the Company (as defined in the rules of the Designated Stock Exchange).

**(8) As regards pre-emptive rights**

In the event that the Company shall at any time issue to holders of new Ordinary Shares securities convertible into Ordinary Shares, the Company shall not be obliged to offer such shares/securities to the holders of Preferred Shares.

**(9) As regards listing**

The Preferred Shares will not be listed on any Designated Stock Exchange.

**(10) As regards transferability**

The Preferred Shares are freely transferable by the holders thereof. Once a Conversion Notice is served by the holder of the Preferred Shares, the Preferred Shares subject to the Conversion Notice shall not be transferable except where such conversion will result in the Company failing to comply with the Public Float Requirement, in which case, the holder of the Preferred Shares may transfer the Preferred Shares subject to the Conversion Notice.”;

(xiii) by deleting the words “Share certificates” before the words “shall be issued within the relevant time limit” on the first line of Article 19 and replacing them with “Subject to Article 15A, share certificates”;

(xiv) by adding the words “(including, without restriction, Article 15A)” after the words “Subject to these Articles” on the first line of Article 46;

- (xv) by deleting the words “The Board” before the words “may whenever it thinks fit” on the first line of Article 58 and replacing them with “Subject to Article 15A, the Board”;
- (xvi) by deleting the words “Notice of every general meeting” before the words “shall be given” in the third sentence of paragraph (2) of Article 59 and replacing them with “Subject to Article 15A, notice of every general meeting”;
- (xvii) by adding the words “Article 15A and subject to” after the words “Subject to” on the first line of Article 66;
- (xviii) by adding the words “having the right to vote at the meeting and” before the words “present in person (or being a corporation is present by a representative duly authorised)” on the third line of Article 66;
- (xix) by adding the words “having the right to vote at the meeting and” before the words “present in person or by proxy” on the fourth line of Article 66;
- (xx) by adding the words “carrying the right to vote” before the words “of which he is the holder” on the sixth line of Article 66;
- (xxi) by deleting the word “special” before the words “resolution remove a Director” on the second line of paragraph (5) of Article 86 and replacing it with “ordinary”;
- (xxii) by adding the words “and Article 15A” after the words “Subject to the Law” on the first line of Article 136;
- (xxiii) by deleting the words “Dividends may be declared” before the words “and paid out of the profits” on the first line of Article 137 and replacing them with “Subject to Article 15A, dividends may be declared”;
- (xxiv) by deleting the word “Except” before the words “in so far as the rights attaching to” on the first line of Article 138 and replacing them with “Subject to Article 15A, except”;
- (xxv) by deleting the word “Whenever” before the words “the Board or the Company” on the first line of Article 144 and replacing them with “Subject to Article 15A, whenever”;
- (xxvi) by deleting the word “Whenever” before the words “the Board or the Company” on the first line of paragraph (1) of Article 145 and replacing them with “Subject to Article 15A, whenever”;
- (xxvii) by adding the words “Subject to Article 15A,” before sub-paragraph (2)(a) of Article 145;
- (xxviii) by deleting the words “The Company” before the words “may upon the recommendation of the Board” on the first line of Article 145(3) and replacing them with “Subject to Article 15A, the Company”;

- (xxix) by adding the words “and these Articles” immediately after “comply with the provisions of the Law” in the last sentence of Article 146(1) and by adding the words “and subject to Article 15A” immediately after “the share premium account” in the last sentence of Article 146(1);
- (xxx) by deleting the words “The Company may” in the first line of Article 147 and replacing it with “Subject to Article 15A, the Company may”;
- (xxxi) by deleting the words “Any Notice” before the words “from the Company to a Member” on the first line of Article 159 and replacing them with “Subject to Article 15A, any Notice”;
- (xxxii) by deleting the words “The Board” before the words “shall have power” on the first line of paragraph (1) of Article 163 and replacing them with “Subject to Article 15A, the Board”;
- (xxxiii) by deleting the words “A resolution” before the words “that the Company be” on the first line of paragraph (2) of Article 163 and replacing them with “Subject to Article 15A, a resolution”;
- (xxxiv) by adding the words “Article 15A and” after the words “Subject to” on the first line of paragraph (1) of Article 164;
- (xxxv) by deleting the words “If the Company” before the words “shall be wound up” on the first line of paragraph (2) of Article 164 and replacing them with “Subject to Article 15A, if the Company”; and
- (xxxvi) by deleting the words “In the event of” before the words “winding-up of the Company” on the first line of paragraph (3) of Article 164 and replacing them with “Subject to Article 15A, in the event of””; and
- (3) **“THAT** subject to the passing of special resolution (2) as set out in the notice of the EGM, the adoption of an amended and restated Memorandum and Articles (incorporating the amendments stated in special resolution (2) and all previous amendments to the existing Memorandum and Articles, a copy of which has been produced to this meeting and marked “C” and initialed by the chairman of this meeting for the purpose of identification) in substitution for and to the exclusion of the existing Memorandum and Articles be and is hereby approved.”

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

Hong Kong, 29 October 2012

As of the date hereof, the Board comprised the following Directors:

*Executive Directors:*

Mr. Leung Ngai Man (*Chairman*)  
Mr. Ng Kwok Chu, Winfield  
Ms. Wu Wei Hua

*Principal Place of Business in Hong Kong:*

Unit 1006, 10th Floor  
Tower One Lippo Centre  
89 Queensway  
Hong Kong

*Independent non-executive Directors:*

Dr. Leung Wai Cheung  
Mr. Cai Wei Lun  
Mr. Qi Ji

*Notes:*

1. Any member entitled to attend and vote at the EGM is entitled to appoint one or, if he/she/it is the holder of two or more shares, more than one proxy to attend and vote on his/her/its behalf in accordance with the Articles. A proxy need not be a member of the Company.
2. To be valid, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be deposited at the Company's Hong Kong branch share registrar and transfer office, Tricor Tengis Limited, of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding of the EGM or any adjournment thereof.
3. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the EGM or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. In the case of joint holders of a share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto. If more than one of such joint holders are present at the EGM, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

*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).*