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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)**

## **COMPLETION OF LOAN CAPITALISATION**

The Board is pleased to announce that the Loan Capitalisation was completed on 17 December 2012.

Reference is made to the announcement of China Netcom Technology Holdings Limited (the “**Company**”) dated 29 August 2012 and the circular of the Company dated 29 October 2012 (the “**Circular**”) in relation to, among other matters, the Loan Capitalisation. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

### **COMPLETION OF LOAN CAPITALISATION**

The Board is pleased to announce that the Loan Capitalisation was completed on 17 December 2012, and 1,563,333,333 Preferred Shares were issued to the Subscriber pursuant to the terms of the Loan Capitalisation Agreement.

### **EFFECT ON SHAREHOLDING**

Assuming there is no further issue or repurchase of Shares, upon exercise in full of the conversion rights attaching to the Subscriber Preferred Shares, a maximum of 1,563,333,333 Shares will be allotted and issued, representing approximately 84.31% of the existing issued share capital of the Company as at the date of this announcement and approximately 45.74% of the issued share capital of the Company as enlarged by the allotment and issue of Shares upon full exercise of the conversion rights attaching to the Subscriber Preferred Shares.

As at the date of this announcement, the Company has 1,854,235,049 Shares in issue. For illustration purpose only, the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the exercise in full of the conversion rights attaching to the Subscriber Preferred Shares and assuming that there will be no further changes in the issued share capital of the Company prior to such exercise are as follows:

	As a the date of this announcement		Immediately after the exercise in full of the conversion rights attaching to the Subscriber Preferred Shares (Note 2)	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Mr. Leung and the party acting in concert with him (Note 1)	536,629,880	28.941	2,099,963,213	61.446
Mr. Ng Kwok Chu, Winfield	94,500	0.005	94,500	0.003
Public	<u>1,317,510,669</u>	<u>71.054</u>	<u>1,317,510,669</u>	<u>38.551</u>
Total	<u><u>1,854,235,049</u></u>	<u><u>100.000</u></u>	<u><u>3,417,568,382</u></u>	<u><u>100.00</u></u>

*Notes:*

- Mr. Leung, an executive Director and the chairman of the Company, held an aggregate of 536,629,880 Shares, of which 294,880 Shares were held by Speedy Well Investments Limited, a company incorporated in the British Virgin Islands and wholly and beneficially owned by Mr. Leung, as at the date of this announcement. In addition, Mr. Leung held convertible bonds issued by the Company in the principal amount of HK\$144,100,000 (the “**Convertible Bonds**”) as at the date of this announcement, which could be converted into 120,083,333 Shares based on the conversion price of HK\$1.20 per Share. Pursuant to the terms of the Convertible Bonds, Mr. Leung and the party acting in concert with him cannot hold more than 29% of the issued share capital of the Company as a result of the conversion of the Convertible Bonds.
- This column is shown for illustrative purpose only as any conversion of the Subscriber Preferred Shares will not trigger a mandatory offer obligation under Rule 26 of the Takeovers Code on the part of Mr. Leung and his concert party or any holder of the Subscriber Preferred Shares pursuant to the terms of the Subscriber Preferred Shares.

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

Hong Kong, 17 December 2012

*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; the non-executive Director is Mr. Gao Shikui; and the independent non-executive Directors are Mr. Cai Wei Lun, Mr. Qi Ji and Mr. Nui Zihui.*

*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).*