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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
AGREEMENT WITH JINSE PINGDAO

The Board is pleased to announce that Max Choice, a wholly-owned subsidiary of the Company, and Jinse Pingdao, the operator of Xingfu lottery channel, entered into the Agreement on 18 January 2012, pursuant to which the Company agreed to set up the Joint Venture with Jinse Pingdao through Huancai Puda to co-develop TV interactive lottery services in the PRC.

The above possible co-operation, if completed, 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 a voluntary basis in order to enhance the transparency of the Company.

Reference is made to the announcement of the Company dated 22 July 2011. Huancai Puda entered into a memorandum of understanding with Jinse Pingdao in June 2011, pursuant to which: (i) both parties agreed to form a joint venture to co-develop TV interactive lottery service through Xingfu lottery channel and related service platform owned by Jinse Pingdao; (ii) Jinse Pingdao agreed to provide the channel and information service platform for distribution of the TV lottery service to national TV network as well as to promote and advertise for the TV lottery service; and (iii) Huancai Puda will be responsible for the technology development, design the data base and backstage control system to realize the TV lottery service.

THE AGREEMENT

The Board is pleased to announce that Max Choice and Jinse Pingdao, the operator of Xingfu lottery channel, entered into the Agreement on 18 January 2012, pursuant to which the Company agreed to set up the Joint Venture with Jinse Pingdao through Huancai Puda to co-develop TV interactive lottery services in the PRC.

Jinse Pingdao has received the operating rights to the Xingfu lottery channel through Shanghai Media Group. Xingfu lottery channel is a lottery channel whose TV signal covers all of the PRC except for Guangxi Province. It has entered into 259 cities in the PRC and currently has viewership of approximately 15 million. Jinse Pingdao intends to take advantage of its TV channel and brand to develop the TV lottery sales business. It has obtained the authorization for lottery sales from Shanghai Welfare Lottery Issuing Centre* (上海福利彩票發行中心) and Shanghai Sport Lottery Issuing Centre* (上海體育彩票發行中心).

In order to further utilize their respective advantages, the Company and Jinse Pingdao agreed as follows:

1. Huancai Puda will set up the Joint Venture with Jinse Pingdao and its connected parties to obtain agency rights for TV lottery sales and expand into the internet and phone areas. Huancai Puda will inject all technologies in relation to TV lottery sales (forestage and backstage software) and the background operational system (hardware platform such as database and communication, etc.) and will make a partial cash investment as consideration to obtain corresponding equity interests in the Joint Venture, details of which will be negotiated between both parties separately;
2. Jinse Pingdao has obtained the authorization granted by Shanghai Welfare Lottery Issuing Centre, Shanghai Sport Lottery Issuing Centre and Shanghai Media Group. After the establishment of the Joint Venture, Jinse Pingdao will take advantage of Xingfu lottery channel and its network in the media field to promote interactive TV lottery sales business in all aspects;
3. The registered capital of the Joint Venture shall not be less than RMB100 million and the investment in cash shall not be less than RMB50 million. The parties will obtain equity interests in the Joint Venture according to the valuation of respective investment in the Joint Venture to be contributed by both parties; and
4. Other cooperation matters will be negotiated between both parties separately.

To the best knowledge, information and belief of the Directors, Jinse Pingdao and its shareholder(s) are Independent Third Parties.

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

REASONS FOR THE FORMATION OF THE JOINT VENTURE

Huancai Puda is the technical services provider of Chongqing Welfare Lottery Issuing Centre* (重慶福利彩票發行中心) which is the first TV lottery centre in the PRC. In early 2011, it entered into a memorandum of understanding with Scientific Games Worldwide Limited, one of the world's leading producer of instant lottery tickets, to develop digital TV lottery business characterized by interactive games. In July 2011, Huancai Puda entered into a framework agreement with Guangzhou Luyin Investment Co., Limited* (廣州魯銀投資有限公司) to co-operate in the development of digital TV lottery sales projects. Guangzhou Luyin has the exclusive operation rights of Central Digital TV Lottery Purchasers Online Channel* (彩民在綫) which is a nationwide digital paid TV channel approved by the State Administration of Radio Film and Television (國家廣播電影電視總局). It currently covers over 24 provinces and 300 cities with viewership of over 80 million in the PRC.

In July 2011, the Company agreed to form a joint venture with China Digital Library Limited Company* (中國數字圖書館有限責任公司). Both parties agreed that the capital injected into the joint venture company would be applied as the consideration for the acquisition of 50% equity interest in Zhongshu Huanyu Technology (Beijing) Limited* (中數寰宇科技(北京)有限公司) because Zhongshu Huanyu has entered into a joint venture agreement with CCTV International Network Co., Ltd* (央視國際網絡有限公司) and Shenzhen Tencent Computer Systems Company Limited* (深圳市騰訊計算機系統有限公司) to engage in the IPTV services in the PRC.

The Board believes that the cooperation with Jinse Pingdao will create operating synergy with the above projects and facilitate the Group's further development in the TV lottery sales field in the PRC.

The above possible co-operation, if completed, 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:

“Agreement”	the agreement dated 18 January 2012 entered into between Max Choice and Jinse Pingdao
“Board”	the board of Directors
“CCTV International Network Co., Ltd”	CCTV International Network Co., Ltd* (央視國際網絡有限公司), the owner and operator of the website www.cctv.com, an Independent Third Party so far as the Directors are aware

“Central Digital TV Lottery Purchasers Online Channel”	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)
“China Digital Library Limited Company”	China Digital Library Limited Company* (中國數字圖書館有限責任公司), an Independent Third Party and a company authorized by the State Council (國務院) and established by the Ministry of Culture (文化部) and National Library of China (中國國家圖書館) which is principally engaged in the development of core technologies applied in data resources, promotion of data resources, digital rights management, digital processing, provision of specialized information, electronic government affair, electronic commerce, provision of comprehensive solutions for digital content and digital library and establishment of digital library service platform
“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”	the directors of the Company
“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 Investment Co., Limited”	Guangzhou Luyin Investment Co., Limited (廣州魯銀投資有限公司), an Independent Third Party which has the exclusive operation right of Lottery Purchasers Online. 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) and Hebei Province (河北省) and more than 300 cities and has viewership of over 80 million in the PRC. Programs are rotationally broadcasted in Lottery Purchasers Online for 15 hours a day

“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 in which the Company has controlling interest
“Independent Third Party(ies)”	person(s) who is not a connected person of the Company and is independent of and not connected with the Company and its connected persons
“IPTV”	internet protocol television
“Jinse Pingdao”	Shanghai Jinse Pingdao Cultural Media Limited* (上海金色平道文化傳媒有限公司), an Independent Third Party so far as the Directors are aware
“Joint Venture”	a joint venture company to be established in the PRC by Huancai Puda and Jinse Pingdao
“Max Choice”	Max Choice Holdings Limited, a wholly-owned subsidiary of the Company
“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
“Scientific Games Worldwide Limited”	Scientific Games Worldwide Limited (Stock Code: SGMS US), an Independent Third Party and a global leader focused on delivering an ever-expanding portfolio of gaming products and services to the world’s government-regulated and government-sponsored entities. Headquartered in New York City, it has manufacturing and operational facilities in North America, South America, Europe, Asia and Australia, with additional facilities throughout the U.S. and around world based on its customer requirements
“Shanghai Media Group”	Shanghai Media Group* (上海文廣傳媒集團) was founded in 2001 after merging Radio Shanghai, Eastern Radio Shanghai, Shanghai Television, Oriental Television Station and Shanghai Cable Television. Its core businesses are broadcasting and TV while related businesses include sports entertainment, technical service, research and development and media entertainment investment. Shanghai Media Group operates 13 analog TV channels, 11 analog radio programs, 31 paid digital TV channels, 1 broadband online TV, 4 newspapers and magazines and operating 3 sports clubs

“Shareholder(s)”	the holder(s) of the shares of the Company
“Shenzhen Tencent Computer Systems Company Limited”	Shenzhen Tencent Computer Systems Company Limited* (深圳市騰訊計算機系統有限公司), a wholly-owned subsidiary of Tencent Holdings Limited and the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 700)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Zhongshu Huanyu Technology (Beijing) Limited”	Zhongshu Huanyu Technology (Beijing) Limited* (中數寰宇科技(北京)有限公司), which is owned as to 50% by ChinaDigital Library and as to 50% by an Independent Third Party

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

Hong Kong, 27 January 2012

* *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 for a minimum period of 7 days from the date of its publication and on the Company’s website at www.chinanetcomtech.com.