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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
AGREEMENTS WITH LIAONING WELFARE LOTTERY

The Board is pleased to announce that, on 7 February 2012, Huancai Puda and Liaoning Welfare Lottery entered into (i) a Cooperation Agreement, pursuant to which Huancai Puda agreed to set up and manage the sales points of a high payout and quick-result lottery game namely China Welfare Lottery “Happy 12” in Liaoning Province and act as the sales agent; and (ii) a Service Agreement, pursuant to which Liaoning Welfare Lottery appointed Huancai Puda to undertake the development and maintenance of the sales management system of “Happy 12”.

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

THE COOPERATION AGREEMENT

The Board is pleased to announce that Huancai Puda and Liaoning Welfare Lottery entered into the Cooperation Agreement on 7 February 2012. Pursuant to the Cooperation Agreement, Huancai Puda is responsible for the setup and management of the sales points of “Happy 12” including the provision of required equipments and so forth and acts as the sales agent. By setting up the sales points of “Happy 12” and acting as the sales agent for the sale of “Happy 12”, Liaoning Welfare Lottery will pay the sales commission to Huancai Puda in a certain percentage of the sales amount of “Happy 12”.

The period for the Cooperation Agreement is three years from the issuance date of the sales agent certificate. The Cooperation Agreement will be automatically renewed for another three years upon expiry of the Cooperation Agreement if there is no objection from each party.

THE SERVICE AGREEMENT

The Board is pleased to announce that Huancai Puda and Liaoning Welfare Lottery has entered into the Service Agreement on 7 February 2012, pursuant to which Liaoning Welfare Lottery appointed Huancai Puda to undertake the development and maintenance of the sales management system of “Happy 12”. Pursuant to the Service Agreement, Huancai Puda is responsible for, among others, (i) the development and maintenance of the sales management system of “Happy 12”; (ii) assign qualified research, development and maintenance engineers to undertake the development and maintenance work of the sales management system and in the provision of results on time; (iii) ensure the sales management system of “Happy 12” and its equipments are in good conditions; and (iv) quickly undertaking and completing the related development and upgrade work in good quality upon the request of Liaoning Welfare Lottery. Liaoning Welfare Lottery will pay the sales management system development fee and the annual maintenance fee to Huancai Puda.

The period for the Service Agreement is three years from the date of the Service Agreement which will be automatically renewed for another three years upon expiry of the Service Agreement if there is no objection from each party.

BACKGROUND OF THE COOPERATION AGREEMENT AND THE SERVICE AGREEMENT

The Group is principally engaged in the development and provision of operation software system sector of the PRC lottery market and the exploration of gold mines in the PRC.

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

The entering into of the Cooperation Agreement and the Service Agreement is to provide supporting services for the operation of “Happy 12” by Liaoning Welfare Lottery. Liaoning Province (遼寧省) has one of the highest lottery turnover’s of any province in the PRC and recorded approximately RMB9.9 billion turnover in lottery in 2011. The operation of “Happy 12” by Liaoning Welfare Lottery has been approved by the Ministry of Finance of the PRC (中華人民共和國財政部) which stipulates the number of such quick-result lottery points in the Liaoning Province cannot exceed 1,900. “Happy 12” is a high payout and quick-result lottery game in which people can pick at least one and up to eight numbers out of a total of twelve available numbers from 1 to 12 to form a bet. The Board believes that the cooperation with Liaoning Welfare Lottery will create operating synergy for the operation of “Happy 12” and facilitate the Group’s further development in the technical consultancy services to the lottery sector in the PRC. The Board considers that the Cooperation Agreement and the Service Agreement were 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 Cooperation Agreement and the Service Agreement are fair and reasonable and in the interests of the Company and Shareholders as a whole.

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
“Cooperation Agreement”	the cooperation agreement dated 7 February 2012 entered into between Huancai Puda and Liaoning Welfare Lottery
“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
“Happy 12”	China Welfare Lottery “Happy 12” is a high payout and quick-result lottery game approved by the Ministry of Finance of the PRC (中華人民共和國財政部) and to be operated by Liaoning Welfare Lottery
“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
“Liaoning Welfare Lottery”	Liaoning Province Welfare Lottery Issuing Centre* (遼寧省福利彩票發行中心), being a service provider of lottery in Liaoning Province (遼寧省), an Independent Third Party

“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
“RMB”	Renminbi, the lawful currency of the PRC
“Service Agreement”	the Service Agreement dated 7 February 2012 entered into between Huancai Puda and Liaoning Welfare Lottery
“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, 13 February 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.