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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)

**TERMINATION OF
THE PLACING AGREEMENT AND
THE SUBSCRIPTION AGREEMENT
AND
RESUMPTION OF TRADING**

Reference is made to the announcement of the Company dated 28 February 2012 in relation to the suspension of trading in the Shares pending release of an announcement regarding a placing of existing Shares and subscription of new Shares. The Directors announce that on 27 February 2012, the Vendor and the Placing Agent entered into the Placing Agreement; and the Vendor and the Company entered into the Subscription Agreement. On 29 February 2012, the Vendor and the Placing Agent entered into a termination agreement to terminate the Placing Agreement; and the Company and the Vendor entered into a termination agreement to terminate the Subscription Agreement.

Trading in the Shares on the Stock Exchange was suspended from 9:00 a.m. on 28 February 2012 at the request of the Company pending the release of an announcement relating to a placing of existing Shares and subscription of new Shares. Application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on 1 March 2012.

INTRODUCTION

Reference is made to the announcement of the Company dated 28 February 2012 in relation to the suspension of trading in the Shares pending release of an announcement regarding a placing of existing Shares and subscription of new Shares. The Directors announce that on 27 February 2012, the Vendor and the Placing Agent entered into the Placing Agreement; and the Vendor and the Company entered into the Subscription Agreement. On 29 February 2012, the Vendor and the Placing Agent entered into a termination agreement to terminate the Placing Agreement; and the Company and the Vendor entered into a termination agreement to terminate the Subscription Agreement.

THE PLACING AGREEMENT AND THE SUBSCRIPTION AGREEMENT

On 27 February 2012, the Vendor and the Placing Agent entered into the Placing Agreement pursuant to which the Vendor has agreed to sell certain Shares and the Placing Agent has agreed, as agent of the Vendor, to procure purchasers for such placing shares on a best effort basis. On 27 February 2012, the Company and the Vendor entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to allot and issue, and the Vendor has conditionally agreed to subscribe for, certain Shares. It was intended that such subscription shares would be allotted and issued pursuant to the general mandate granted to the Directors at the annual general meeting of the Company held on 28 March 2011. As such, the issue of the subscription shares would not be subject to further approval of the Shareholders.

TERMINATION

Due to market condition, the Company and the Placing Agent mutually agree not to proceed with the Placing. Accordingly, on 29 February 2012, the Vendor and the Placing Agent entered into a termination agreement to terminate the Placing Agreement and all obligations of each of the parties under the Placing Agreement will cease and determine. On 29 February 2012, the Company and the Vendor entered into a termination agreement to terminate the Subscription Agreement and all obligations of each of the parties under the Subscription Agreement will cease and determine.

The Board does not consider that the termination of the Placing and the Subscription would have any material adverse effect on the financial position or the operations of the Group.

SUSPENSION AND RESUMPTION OF TRADING IN SHARES

Trading in the Shares on the Stock Exchange was suspended from 9:00 a.m. on 28 February 2012 at the request of the Company pending the release of an announcement relating to a placing of existing Shares and subscription of new Shares. Application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on 1 March 2012.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the respective meanings ascribed opposite to them:

“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
“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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Placing”	the placing of Shares pursuant to the terms and conditions of the Placing Agreement
“Placing Agent”	Kingsway Financial Services Group Limited, a licensed corporation under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to carry out type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities) and type 9 (asset management) regulated activities
“Placing Agreement”	the placing agreement dated 27 February 2012 entered into between the Vendor and the Placing Agent in relation to the Placing
“Share(s)”	ordinary share(s) of HK\$0.005 each in the share capital of the Company
“Shareholders”	the holders of Shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription for Shares by the Vendor pursuant to the terms and conditions of the Subscription Agreement
“Subscription Agreement ”	the subscription agreement dated 27 February 2012 entered into between the Vendor as subscriber and the Company as issuer in relation to the Subscription
“Vendor”	Mr. Leung Ngai Man, an executive Director

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

Hong Kong, 29 February 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; 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.