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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)

UPDATE ON BUSINESS DEVELOPMENT

This is a voluntary announcement made by China Netcom Technology Holdings Limited (the “**Company**” together with its subsidiaries, the “**Group**”).

The board (“**Board**”) of directors (“**Directors**”) of the Company is pleased to announce that the Company and Professor Wang Xin (“**Prof. Wang**”) entered into a share transfer agreement (“**Share Transfer Agreement**”) on 26 April 2016, pursuant to which the Company conditionally agreed to sell to Prof. Wang 30% of the issued shares of Ocean Keen Investment Holdings Limited (“**Target Company**”), a wholly-owned subsidiary of the Company, at the consideration that Prof. Wang would enter into a technology transfer and support agreement (“**Technology Transfer Agreement**”) with the Target Company upon completion of the Share Transfer Agreement.

Pursuant to the Technology Transfer Agreement, Prof. Wang would transfer to the Target Company the ownership of certain medical equipment technologies, including the 高抗干擾脈搏呼吸傳導裝置 (High interference resistance pulse and respiration conducting devices*) and other relevant research and development results (“**Technologies**”) and provide technical support to the Target Company in the application of these medical equipment technologies (“**Technical Support**”).

Completion of the Share Transfer Agreement is conditional upon the following conditions precedent being fulfilled:

1. Prof. Wang, and the Directors and shareholders of the Company (if required) having (i) approved the signing of the Share Transfer Agreement; (ii) completed all necessary internal and external approval procedures; and (iii) obtained all necessary permits, approvals, licenses, consents, authorisations and/or waivers, including the approvals from the relevant regulatory authorities (if required);
2. the transfer of the Technologies by Prof. Wang to the Target Company according to the Technology Transfer Agreement; and
3. the issuance of receipt of acceptance in relation to the patent application of the new invention for the 高抗干擾脈搏呼吸傳導裝置 (High interference resistance pulse and respiration conducting devices*) by the State Intellectual Property Office in the People’s Republic of China.

The Target Company is an investment holding company incorporated in the British Virgin Islands, with issued share capital of US\$1.00. After completion of the Share Transfer Agreement, the Target Company will be owned as to 70% by the Company and 30% by Prof. Wang respectively.

Prof. Wang was appointed as the Chief Technology Officer of the Group with effect from 26 April 2016 (“**Appointment**”), being responsible for the development of and research on smart medical wearables of the Group.

Prof. Wang had been:

- a senior system engineer and team leader of the Radio Frequency Team of 摩托羅拉(上海)有限公司 (Motorola (Shanghai) Company Limited*) in Shanghai, the People’s Republic of China;
- a senior site engineer of 高通通訊技術有限公司 (Qualcomm Inc.*) in the United States of America;
- a senior system engineer, team leader of the Radio Frequency Team and the Testing Team of LG InfoComm Inc. in San Diego, the United States of America;
- a senior researcher of Lucent Technologies, Inc. (Bell Laboratories) in New Jersey, the United States of America; and
- the Chief Technology Officer of Algri Systems, Inc. in New Jersey, the United States of America, being responsible for the development of wireless monitoring terminal products at medical level, cloud platforms for remote health management services and smart robot series.

The “智能移動遠程生命信息物聯網系統” (The Internet of Things in relation to Smart Mobile Remote Life Information*) invented by Prof. Wang is unprecedented.

Prof. Wang is currently the Chief Scientist of 深圳無線技術應用協會 (Shenzhen Wireless Technology Application Association*).

The Directors believe the Share Transfer Agreement and the Appointment would lay the foundation for the Company to enter into the rapidly growing market of smart medical wearables. With the assistance of the professional team of Prof. Wang, the Group has successfully developed the first medical level wearable “watch” with communication function and 24 hours real-time continuous automatic remote monitoring of pulse rate, heart rate, electrocardio and blood pressure functions within one single interface. The watch has been sent to the independent medical inspection organisation designated by the State Food and Drug Administration for examination. Medical device registration certificate and medical device manufacturer certification are being applied in progress following regular procedures.

To the best knowledge and belief of the Directors, having made all reasonable enquiries, Prof. Wang is a third party independent of, and not connected with, the Company and its connected persons (as defined under the Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (“GEM Listing Rules”)).

By order of the Board
China Netcom Technology Holdings Limited
Leung Ngai Man
Chairman and Executive Director

Hong Kong, 29 April 2016

As at the date of this announcement, the executive Directors are Mr. Leung Ngai Man and Ms. Wu Wei Hua; and the independent non-executive Directors are Mr. Cai Wei Lun, Mr. Qi Ji and Ms. Xuan Hong.

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.

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