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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)

PROFIT WARNING

This announcement is made by China Netcom Technology Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules (“**GEM Listing Rules**”) Governing the Listing of Securities on the Growth Enterprise Market (the “**GEM**”) of The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

As disclosed in the Company’s third quarterly results announcement published on 14 November 2017, the management of the Company has followed the approach set out in the financial review section and Notes 4 and 15 of the notes to the consolidated financial statements in the 2016 annual report published on 29 March 2017 and is in the course of performing an impairment assessment of the value of the concession rights (the “**Concession Rights**”), which are solely related to the welfare lottery business in Shenzhen and Chongqing (the “**SZ and CQ Welfare Lottery Business**”). Having considered the estimated cash flow to be generated from the SZ and CQ Welfare Lottery Business, the relevant operating environment and market conditions as well as the view of the independent professional valuer, the management of the Company intends to provide for full impairment on the carrying amount of the Concession Rights, which would result in an impairment loss of approximately HK\$57,147,000 (2016: HK\$8,460,000) (the “**Impairment Loss**”). Such Impairment Loss has yet to be confirmed and audited. Upon confirmation, such Impairment Loss will be reflected in the consolidated financial statements of the Group for the year ended 31 December 2017 (the “**2017 Financial Year**”), resulting in a substantial increase in net loss compared to the year of 2016.

Notwithstanding the above, the adjusted net loss (excluding the Impairment Loss) in 2017 would be smaller than that in the year of 2016. Moreover, the Impairment Loss will constitute a non-recurring non-cash gain and loss item and hence without any impact on the Group’s operating cash flow. The Group will focus on its Internet financial business through innovative technology and management to improve the results performance, as well as its sport lottery business in Shandong and smart wearable devices business.

The Group is in the process of preparing the consolidated financial statements for the 2017 Financial Year as well as assessing the value of other assets of the Group. The information contained in this announcement represents an initial assessment by the board of directors of the Company (the “**Board**”), which is solely based on the Board’s reference to, and review of, the unaudited consolidated management accounts and on the materials currently available to the Board. Such information has not been reviewed or audited by the auditors of the Company and may be subject to adjustment. Shareholders and potential investors of the Company are advised to refer to the results announcement of the Group for the 2017 Financial Year, which is expected to be published in March 2018.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
CHINA NETCOM TECHNOLOGY HOLDINGS LIMITED
Sun Haitao
Chairman and Executive Director

Hong Kong, 16 January 2018

As at the date of this announcement, the executive Directors are Mr. Sun Haitao and Mr. Zhao Ke; and the independent non-executive Directors are Mr. Song Ke, Mr. Wu Bo and Mr. Michael Yu Tat Chi.

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.irasia.com/listco/hk/chinanetcom.