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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**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the first quarterly results announcement for the three months ended 31 March 2020 of the Company dated 7 May 2020. Following the PRC government’s issuance of a series of regulatory documents and guidances in late 2019 (including the Guidances on the Transformation of Online Lending Information Intermediary Institutions into Pilot Micro Credit Companies* (《關於網絡借貸信息中介機構轉型為小額貸款公司試點的指導意見》) issued on 27 November 2019, etc.), the Group’s financial technology services business has been materially affected. During the first half of 2020, the Group had ceased its cooperation with P2P platforms and began to plan for the transformation of its financial technology services business. The impact of the Novel Coronavirus epidemic had, to a large extent, deterred the transformation progress of the Group’s financial technology services business, and had also adversely affected the Group’s other businesses.

As a result, it is expected that the revenue of the Group will decline significantly when compared to the corresponding period in 2019, and the Group expects to record an unaudited consolidated loss attributable to owners of the Company ranging from approximately HK\$8 million to approximately HK\$12 million for the six months ended 30 June 2020 as compared to an unaudited consolidated profit attributable to owners of the Company of approximately HK\$16.1 million for the six months ended 30 June 2019. The Group will closely monitor the ongoing market development and appropriately adjust its operations of the financial technology services business and the overall strategies of the Group, including the reduction or termination of certain loss-making businesses and the development of the smart retail business, so as to achieve the Group’s long-term goal of sustainable development.

The information contained in this announcement is solely based on the preliminary assessment by the board (the “**Board**”) of directors (the “**Directors**”) of the Company upon its review of the unaudited consolidated management accounts of the Group and the currently available information to the Board which have not been audited nor reviewed by the Company’s auditor. The financial results of the Group for the six months ended 30 June 2020 will only be ascertained after all the relevant results and accounting treatments have been finalized. Shareholders and potential investors of the Company are advised to refer to the details of the Company’s interim results announcement for the six months ended 30 June 2020 which will be published on or before 15 August 2020.

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

* *The English name has been transliterated from its Chinese name and is for identification only.*

By order of the Board
China Netcom Technology Holdings Limited
Sun Haitao
Chairman and Executive Director

23 July 2020

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 Listed Company Information” 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.