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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)

**FRAMEWORK AGREEMENT
IN RELATION TO POSSIBLE ACQUISITION
AND
RESUMPTION OF TRADING**

This announcement is made by the Company pursuant to Rule 17.10(2)(a) of the GEM Listing Rules and Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

The Board is pleased to announce that on 22 April 2014, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Framework Agreement with Vendor A and Vendor B in relation to the Possible Acquisition at a proposed total consideration not exceeding RMB300 million. The Framework Agreement is non-legally binding save for certain provisions relating to exclusivity and confidentiality.

The Board wishes to emphasize that no binding agreement in relation to the Possible Acquisition has been entered into as at the date of this announcement. As such, the Possible Acquisition may or may not proceed. If the Possible Acquisition materializes, it may constitute a notifiable transaction for the Company under Chapter 19 of the GEM Listing Rules. Shareholders and investors are advised to exercise caution when dealing in the securities of the Company. Further announcement in respect of the Possible Acquisition will be made by the Company in the event any formal agreement in this connection is signed.

This announcement is made by the Company pursuant to Rule 17.10(2)(a) of the GEM Listing Rules and Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

THE FRAMEWORK AGREEMENT

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Set out below are the principal terms of the Framework Agreement:

Date : 22 April 2014

Parties : (i) the Purchaser, a wholly-owned subsidiary of the Company;

(ii) Vendor A; and

(iii) Vendor B

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of Vendor A and Vendor B is independent of and not connected with the Company and its connected person (as defined under the GEM Listing Rules).

Subject matters : Pursuant to the Framework Agreement, it is proposed that the Purchaser will acquire, and Vendor A and Vendor B will sell or procure the sale of, 60% of the entire equity interest in the Target Company at a proposed total consideration not exceeding RMB300 million to be settled by a combination of cash payment and the issue of new Shares.

It is proposed that the parties will continue the negotiation in relation to the Possible Acquisition with the aim of entering into a formal agreement on or before 31 May 2014 subject to the fulfillment of, among others, the following conditions:

- (i) the Target Company being able to provide a 5-year business development plan;
- (ii) the Purchaser being satisfied with the results of preliminary due diligence to be performed by it with respect to the Target Company including but not limited to legal, financial and business aspects; and
- (iii) the Purchaser having obtained a preliminary legal opinion with respect to the establishment, subsistence and business legality of the Target Company.

The parties agreed that if they decide to proceed with the Possible Acquisition, the Target Company shall be free from any liabilities or debt upon the signing of the formal agreement. In addition, immediately before the signing of the formal agreement, the shareholding held in the Target Company by Vendor A and Vendor B shall not be subject to any lien, encumbrance or other third party right (save for the rights enjoyed by the Purchaser pursuant to the Framework Agreement).

Deposit : Pursuant to the Framework Agreement, the Purchaser or its related company is required to pay a deposit of HK\$1 million to a payee designated by Vendor A and Vendor B within 5 days after the date of the Framework Agreement as a deposit for the Possible Acquisition. If the parties decide to proceed with the Possible Acquisition, such deposit shall be credited against the consideration under the formal agreement. If the parties decide not to proceed with the Possible Acquisition, such deposit shall be returned to the Purchaser within 5 days of the date which the Purchaser confirms that it will not proceed with the Possible Acquisition, or in any event, within 5 days after the date of one-year anniversary of the receipt of the said deposit.

Exclusivity : Pursuant to the Framework Agreement, the Vendor A and Vendor B have agreed to grant an exclusive right to the Purchaser during the period of one year from the date of receipt of the aforesaid deposit, and the Purchaser (and/or its subsidiary(ies)) is entitled on an exclusive basis to acquire the equity interest in the Target Company during such period.

THE TARGET COMPANY

The following information regarding the Target Company was provided by Vendor A and Vendor B.

The Target Company, being 深圳市前海石化產品交易清算服務有限公司 (Shenzhen Qianhai Petrochemical Products Trading and Clearing Services Limited), is a company established in Qianhai, Shenzhen, the PRC with limited liability and is principally engaged in the provision of trading settlement and deferred spot delivery services of petrochemical and energy products and the associated electronic trading, trading data clearing and settlement custodian services.

Each of Vendor A and Vendor B owns 50% of the entire equity interest in the Target Company.

In October 2013, the Target Company entered into a cooperation agreement (the “**Cooperation Agreement**”) with 深圳石油化工交易所有限公司 (Shenzhen Petrochemical Exchange Limited) (“**SPEL**”). SPEL is principally engaged in the daily business operation and management of 深圳石油化工交易所 (Shenzhen Petrochemical Exchange) (“**SZPEX**”).

SZPEX was founded in September 2011 with the approval of the Shenzhen Municipal People’s Government. By passing the review of the China Securities Regulatory Commission and other members of the Joint Ministerial Meeting on 7 November 2012, SZPEX was qualified as an exchange at the state level and was opened formally on 9 January 2013. SZPEX was one of the first key enterprises entering the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone. Its shareholders include 中國石油化工集團公司 (China Petroleum & Chemical Corporation, also known as Sinopec Corp.), 中國航空油料集團公司 (China National Aviation Fuel Group Corporation), 珠海振戎公司 (Zhuhai Zhen Rong Company), 深圳市前海開發投資控股有限公司 (Shenzhen Qianhai Development and Investment Holdings Co., Ltd.), 建銀國際(深圳)投資有限公司 (CCB International (Shenzhen) Investment Co., Ltd.), 深圳市中化美林石油化工有限公司 (Shenzhen Zhonghua Meilin Petrochemical Co., Ltd.). The business activities of SZPEX include the provision of spot trading, delivery, financing, information and other integrated services for most products in the petrochemical industry chain, including crude oil, finished oil, fuel oil, jet fuel and solvent oils.

Pursuant to the Cooperation Agreement, the Target Company was granted an exclusive right to carry out SZPEX off-floor trading business, including the provision of various services by the Target Company to SZPEX, such as the development and provision of electronic trading system for off-floor trading and the provision of clearing and related services for off-floor trading.

The relevant regulatory authorities in Shenzhen have approved the Target Company to provide relevant services to SZPEX.

REASONS FOR AND BENEFITS OF THE POSSIBLE ACQUISITION

The Group is principally engaged in the trading of computer hardware and software and the provision of lottery system management service and the operation of lottery sales halls in the PRC.

The Group has been actively seeking opportunities in line with the PRC’s development of 12th Five-Year Plan with significant growth potential to diversify its existing business and to diversify its revenue stream in order to enhance the Shareholders’ value. The Directors are of the view that the Possible Acquisition will be a suitable opportunity for the Group to broaden its range of investments, diversify its revenue sources and will benefit the Company and the Shareholders as a whole.

The Directors consider the terms of the Framework Agreement are fair and reasonable and the Possible Acquisition is in the interest of the Company and Shareholders as a whole.

GENERAL

The Possible Acquisition, if materialized, may constitute a notifiable transaction for the Company under Chapter 19 of the GEM Listing Rules. Further announcement will be made in respect thereof as and when required by the GEM Listing Rules.

The Board wishes to emphasize that no binding agreement in relation to the Possible Acquisition has been entered into as at the date of this announcement. As such, the Possible Acquisition may or may not proceed. If the Possible Acquisition materializes, it may constitute a notifiable transaction for the Company under Chapter 19 of the GEM Listing Rules. Shareholders and investors are advised to exercise caution when dealing in the securities of the Company. Further announcement in respect of the Possible Acquisition will be made by the Company in the event any formal agreement in this connection is signed.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on 23 April 2014 pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading with effect from 9:00 a.m. on 24 April 2014.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of Directors
“Company”	China Netcom Technology Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on GEM
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Framework Agreement”	the non-legally binding agreement save for certain provisions relating to exclusivity and confidentiality dated 22 April 2014 entered into between the Purchaser, Vendor A and Vendor B setting out their preliminary intention in relation to the Possible Acquisition
“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 PRC
“Independent Third Party”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Group and its connected person in accordance with the GEM Listing Rules
“Possible Acquisition”	the possible acquisition of 60% of the entire equity interest in the Target Company proposed to be carried out by the Purchaser as contemplated under the Framework Agreement
“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
“Purchaser”	Treasure Holy Investment Development Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.005 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	深圳市前海石化產品交易清算服務有限公司 (Shenzhen Qianhai Petrochemical Products Trading and Clearing Services Limited), a company established in the PRC with limited liability and as at the date of this announcement, wholly and beneficially owned as to 50% by Vendor A and 50% by the Vendor B of its entire equity interest
“Vendor A”	one of the parties to the Framework Agreement who is an Independent Third Party

“Vendor B” one of the parties to the Framework Agreement who is an Independent Third Party

“%” per cent.

In this announcement, translated English names of Chinese entities for which no official English translation exists are unofficial translations for identification purposes only, and in the event of any inconsistency between the Chinese names and their English translation, the Chinese names shall prevail.

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

Hong Kong, 23 April 2014

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 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.