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51RENPIN.COM INC.
(Incorporated in the British Virgin Islands with limited liability)

JOINT ANNOUNCEMENT

- (1) SALE AND PURCHASE OF CONVERTIBLE PREFERRED SHARES IN CHINA NETCOM TECHNOLOGY HOLDINGS LIMITED;**
(2) SALE AND PURCHASE OF SHARES IN CHINA NETCOM TECHNOLOGY HOLDINGS LIMITED;
(3) MANDATORY CONDITIONAL CASH OFFERS BY BOCOM INTERNATIONAL SECURITIES LIMITED FOR AND ON BEHALF OF 51RENPIN.COM INC. TO ACQUIRE ALL THE ISSUED SHARES AND TO CANCEL ALL OUTSTANDING SHARE OPTIONS OF CHINA NETCOM TECHNOLOGY HOLDINGS LIMITED (OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY 51RENPIN.COM INC. AND PARTIES ACTING IN CONCERT WITH IT);
(4) CONNECTED TRANSACTION IN RELATION TO A PROPOSED SUBSCRIPTION OF NEW SHARES IN CHINA NETCOM TECHNOLOGY HOLDINGS LIMITED UNDER SPECIFIC MANDATE;
(5) SPECIAL DEAL; AND
(6) RESUMPTION OF TRADING IN THE SHARES OF CHINA NETCOM TECHNOLOGY HOLDINGS LIMITED

**Financial Adviser to China Netcom
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AMASSE CAPITAL
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AMASSE CAPITAL LIMITED

CONVERTIBLE PREFERRED SHARE PURCHASE AGREEMENT

The Board was informed that on 11 April 2017, Mr. Leung (as seller) and the Offeror (as purchaser) had entered into the Convertible Preferred Share Purchase Agreement pursuant to which Mr. Leung agreed to sell and the Offeror agreed to acquire 1,003,333,333 Convertible Preferred Shares at the consideration of HK\$82,273,333.31, being HK\$0.082 per Convertible Preferred Share. It was further stated in the Convertible Preferred Share Purchase Agreement that the Offeror shall, immediately upon completion of the sale and purchase of the Convertible Preferred Shares, exercise its conversion rights attaching to the Convertible Preferred Shares to convert all the Convertible Preferred Shares into the Converted Shares. The Convertible Preferred Shares are convertible on a one-to-one basis upon exercise of the conversion rights attaching to them into the Shares. Completion of the Convertible Preferred Share Purchase Agreement was effected on the same day.

Immediately after the completion of the sale and purchase of the Convertible Preferred Shares and pursuant to the terms of the Convertible Preferred Share Purchase Agreement, the Company received a notice of conversion from the Offeror in respect of the exercise of conversion rights attaching to all the Convertible Preferred Shares. As a result of the exercise of the conversion rights attaching to the 1,003,333,333 Convertible Preferred Shares, 1,003,333,333 Converted Shares were allotted and issued to the Offeror on 12 April 2017, representing approximately 24.33% of the total number of issued Shares as at the date of this joint announcement.

SHARE PURCHASE AGREEMENT

The Board was further informed by Mr. Leung that, immediately after allotment and issue of the 1,003,333,333 Converted Shares, on the same date, Mr. Leung, the Offeror and Tiantu had entered into the Share Purchase Agreement pursuant to which the Offeror and Tiantu have conditionally agreed to acquire 441,629,880 Sale Shares and 365,000,000 Sale Shares, representing approximately 10.71% and 8.85% of the total number of issued Shares as at the date of this joint announcement, respectively and Mr. Leung has conditionally agreed to sell an aggregate of 806,629,880 Sale Shares at an aggregate consideration of HK\$66,143,650.16, being HK\$0.082 per Sale Share, representing approximately 19.56% of the total Shares in issue as at the date of this joint announcement. Completion of the Share Purchase Agreement was effected on 18 April 2017.

MANDATORY CONDITIONAL CASH OFFERS

Immediately after the allotment and issue of the Converted Shares to the Offeror and the Share Purchase Completion, the Offeror and parties acting in concert with it became interested in an aggregate of 1,809,963,213 Shares representing approximately 43.89% of the total number of issued Shares as at the date of this joint announcement. Accordingly, the Offeror and parties acting in concert with it will be required to make a conditional mandatory cash offer to acquire all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) pursuant to Rule 26.1 of the Takeovers Code. Pursuant to Rule 13.5 of the Takeovers Code, the Option Offer will also be made to cancel all the outstanding Share Options.

The Share Offer

for each Offer Share HK\$0.082 in cash

The Share Offer Price of HK\$0.082 for each Offer Share is the same as the purchase price per Sale Share under the Share Purchase Agreement and the purchase price per Convertible Preferred Share under the Convertible Preferred Share Purchase Agreement which was arrived at after arm's length negotiations between the Offeror and/or Tiantu and Mr. Leung.

The Option Offer

for cancellation of each Share Option HK\$0.0001 in cash

As the relevant exercise prices of all of the outstanding Share Options are above the Share Offer Price, the outstanding Share Options are out-of-money and therefore the Option Offer price for the cancellation of each outstanding Share Option is set at a nominal value of HK\$0.0001.

Condition to the Offers

The Share Offer is conditional upon valid acceptances of the Offers having been received (and not, where permitted, withdrawn) by 4:00 p.m. on the Closing Date (or such later time or date as the Offeror may, subject to the Takeovers Code, decide) in respect of such number of Shares which, together with the Shares acquired or agreed to be acquired before or during the Offers (including the Subscription Shares), will result in the Offeror and parties acting in concert with it holding in aggregate more than 50% of the voting rights of the Company.

The Option Offer is conditional upon the Share Offer becoming or being declared unconditional in all respects.

The Offeror reserves the right to revise the terms of the Offers in accordance with the Takeovers Code.

In accordance with Rule 15.3 of the Takeovers Code, the Offeror must publish an announcement when the Share Offer becomes unconditional as to acceptances and when the Offers become unconditional in all respects. The Offers must also remain open for acceptance for at least fourteen (14) days after the Offers become unconditional in all respects.

CONNECTED TRANSACTION IN RELATION TO PROPOSED SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE

Simultaneously with the entering into of the Share Purchase Agreement, the Company and the Offeror entered into the Subscription Agreement pursuant to which the Company has conditionally agreed to allot and issue and the Offeror has conditionally agreed to subscribe for 1,445,000,000 Subscription Shares at the consideration of HK\$72,250,000, being HK\$0.05 per Subscription Share. The 1,445,000,000 Subscription Shares represents approximately 35.04% of the total number of Shares in issue as at the date of this joint announcement and approximately 25.95% as enlarged by the allotment and issue of the Subscription Shares.

As a result of the allotment and issue of the Converted Shares and the Share Purchase Completion, the Offeror is interested in 1,444,963,213 Shares, representing approximately 35.04% of the total Shares in issue as at the date of this joint announcement, and thus the Offeror is a controlling shareholder and a connected person of the Company. The Subscription Agreement and the transactions contemplated thereunder will constitute a connected transaction for the Company under Chapter 20 of the GEM Listing Rules which requires the approval of the Independent Shareholders by way of poll at the EGM.

THE SPECIAL DEAL

Pursuant to the terms of the Subscription Agreement and subject to the Subscription Completion, the outstanding principal amount of the Convertible Bonds issued to Mr. Leung will be partially redeemed by the Company. Using a portion of the net proceeds of the Subscription for the Redemption constitutes a “special deal” under Rule 25 of the Takeovers Code and will be conditional upon obtaining the consent of the Executive under Note 5 to Rule 25 of the Takeovers Code. The Executive will normally consent to the Special Deal provided that: (i) the Independent Financial Adviser publicly states in its opinion that the terms of the Special Deal are fair and reasonable; and (ii) the Special Deal is approved at the EGM by way of poll by the Independent Shareholders. An application will be made to the Executive for its consent to the Special Deal pursuant to Note 5 to Rule 25 of the Takeovers Code.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee will be constituted in due course in accordance with Rule 2.8 of the Takeovers Code to advise and give a recommendation to (i) the Independent Shareholders in respect of the Subscription and the Special Deal; and (ii) the Shareholders other than the Offeror and parties acting in concert with it in respect of the Offers, as to whether the terms of the Offers are fair and reasonable and as to the acceptance of the Offers.

An independent financial adviser to the Independent Board Committee will be appointed with the approval of the Independent Board Committee to advise the Independent Board Committee to make recommendation to (i) the Independent Shareholders in respect of the Subscription and the Special Deal; and (ii) the Shareholders other than the Offeror and parties acting in concert with it in respect of the Offers, as to whether the terms of the Offers are fair and reasonable and as to the acceptance of the Offers.

An announcement of such appointment will be made in due course.

EGM

The EGM will be convened and held for the Independent Shareholders to consider and if thought fit, to approve the Subscription Agreement, the Special Deal and the respective transactions contemplated thereunder.

The Offeror, being a connected person of the Company and having a material interest in the Subscription Agreement, and its associates and parties acting in concert with it are required to abstain from voting on the relevant resolution(s) to approve the Subscription Agreement (including the Redemption), the Special Deal and the respective transactions contemplated thereunder at the EGM. As a portion of the net proceeds of the Subscription will be utilized for the Redemption, Mr. Leung and his associates will also be required to abstain from voting on the relevant resolution(s) to approve the Subscription Agreement (including the Redemption), the Special Deal and the respective transactions contemplated thereunder at the EGM.

A circular containing, among other things, (i) further details about the Subscription Agreement (including the Redemption); (ii) the recommendation letter of the Independent Board Committee to the Independent Shareholders in respect of the Subscription and the Special Deal; (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the Subscription and the Special Deal; and (iv) the notice convening the EGM is expected to be despatched to the Independent Shareholders on or before 15 May 2017.

DESPATCH OF COMPOSITE DOCUMENT

The Offeror and the Company intend to combine the offer document and the offeree board circular into the Composite Document which contains amongst others, details of the Offers, accompanied by the relevant forms of acceptance, and incorporating the recommendation from the Independent Board Committee and the letter from the Independent Financial Adviser in respect of the Offers. Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document is required to be despatched within 21 days of the date of this joint announcement.

WARNING: INDEPENDENT SHAREHOLDERS, OPTIONHOLDERS, AND/OR POTENTIAL INVESTORS OF THE COMPANY SHOULD NOTE THAT THE SHARE OFFER IS SUBJECT TO THE SATISFACTION OF THE CONDITION, AND THE OPTION OFFER IS SUBJECT TO, AND CONDITIONAL UPON, THE SHARE OFFER BECOMING OR BEING DECLARED UNCONDITIONAL IN ALL RESPECTS. ACCORDINGLY THE OFFERS MAY OR MAY NOT BECOME UNCONDITIONAL. INDEPENDENT SHAREHOLDERS, OPTIONHOLDERS, AND/OR POTENTIAL INVESTORS OF THE COMPANY SHOULD THEREFORE EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY (INCLUDING THE SHARES AND SHARE OPTIONS OR RIGHTS IN RESPECT OF THEM). PERSONS WHO ARE IN DOUBT AS TO THE ACTION THEY SHOULD TAKE SHOULD CONSULT THEIR PROFESSIONAL ADVISERS.

TRADING HALT AND RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 11 April 2017 pending the publication of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 24 April 2017.

A. CONVERTIBLE PREFERRED SHARE PURCHASE AGREEMENT

The Board was informed by Mr. Leung that Mr. Leung (as seller) and the Offeror (as purchaser) entered into the Convertible Preferred Share Purchase Agreement on 11 April 2017. Detailed terms are as follows:

Date: 11 April 2017

Parties: Vendor: Mr. Leung

Purchaser: The Offeror

Subject matter

Pursuant to the Convertible Preferred Share Purchase Agreement, Mr. Leung agreed to sell and the Offeror agreed to acquire 1,003,333,333 Convertible Preferred Shares at the consideration of HK\$82,273,333.31, being HK\$0.082 per Convertible Preferred Share.

Completion

Completion of the Convertible Preferred Share Purchase Agreement was effected on the same day.

Consideration

The consideration of HK\$0.082 per Convertible Preferred Share represents:

- (i) a discount of approximately 40.6% to the closing price of HK\$0.138 per Share as quoted on the Stock Exchange on 10 April 2017, being the Last Trading Day;
- (ii) a discount of approximately 38.3% to the average of the closing prices of HK\$0.133 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day; and
- (iii) a discount of approximately 33.3% to the average of the closing prices of approximately HK\$0.123 per Share as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Day.

The consideration for the Convertible Preferred Shares was arrived at after arm's length negotiations between Mr. Leung and the Offeror. The consideration of the sale and purchase of the Convertible Preferred Shares had been paid by the Purchaser at completion of the Convertible Preferred Share Purchase Agreement.

Conversion

The Convertible Preferred Shares are convertible on a one-to-one basis upon exercise of the conversion rights attaching to them into the Shares. No consideration is required in exercising the conversion rights attaching to the Convertible Preferred Shares.

Immediately after the completion of the sale and purchase of the Convertible Preferred Shares and pursuant to the terms of the Convertible Preferred Share Purchase Agreement, the Company received a notice of conversion from the Offeror in respect of the exercise of conversion rights attaching to all the Convertible Preferred Shares. As a result of the exercise of the conversion rights attaching to the 1,003,333,333 Convertible Preferred Shares, 1,003,333,333 Converted Shares were allotted and issued to the Offeror on 12 April 2017, representing approximately 24.33% of the total number of issued Shares as at the date of this joint announcement.

B. SHARE PURCHASE AGREEMENT

The Board was further informed by Mr. Leung, that immediately after allotment and issue of the 1,003,333,333 Converted Shares, on the same date, Mr. Leung (as seller), the Offeror and Tiantu (as purchasers) had entered into the Share Purchase Agreement. Detailed terms are as follows:

Date: 12 April 2017

Parties: Vendor: Mr. Leung

Purchasers: (i) The Offeror; and
(ii) Tiantu

Subject matter

Pursuant to the Share Purchase Agreement, the Offeror and Tiantu have conditionally agreed to acquire 441,629,880 Sale Shares and 365,000,000 Sale Shares, representing approximately 10.71% and 8.85% of the total number of issued Shares as at the date of this joint announcement, respectively and Mr. Leung has conditionally agreed to sell an aggregate of 806,629,880 Sale Shares at an aggregate consideration of HK\$66,143,650.16, being HK\$0.082 per Sale Share, representing approximately 19.56% of the total Shares in issue as at the date of this joint announcement.

Consideration

Pursuant to the Share Purchase Agreement, the total consideration of HK\$66,143,650.16 has been paid by the Offeror as to HK\$36,213,650.16 and Tiantu as to HK\$29,930,000.00 to Mr. Leung at the Share Purchase Completion in cash.

Completion

Share Purchase Completion took place on 18 April 2017.

C. MANDATORY CONDITIONAL CASH OFFERS

Immediately after the allotment and issue of the Converted Shares to the Offeror and the Share Purchase Completion, the Offeror and parties acting in concert with it became interested in an aggregate of 1,809,963,213 Shares representing approximately 43.89% of the total number of issued Shares as at the date of this joint announcement. Accordingly, the Offeror and parties acting in concert with it will be required to make a conditional mandatory cash offer to acquire all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) pursuant to Rule 26.1 of the Takeovers Code. Pursuant to Rule 13.5 of the Takeovers Code, the Option Offer will also be made to cancel all the outstanding Share Options.

As at the date of this joint announcement, the Company has 4,123,368,382 Shares in issue and outstanding Share Options conferring rights to the Optionholders to subscribe for up to an aggregate of 273,700,000 Shares of which:

- (i) 9,600,000 Share Options are vested and exercisable at HK\$1.425 per Share during the exercise period from 9 July 2007 to 29 June 2017;
- (ii) 8,200,000 Share Options are vested and exercisable at HK\$2.030 per Share during the exercise period from 22 August 2007 to 29 June 2017;
- (iii) 9,200,000 Share Options are vested and exercisable at HK\$1.328 per Share during the exercise period from 10 July 2008 to 29 June 2017;
- (iv) 16,000,000 Share Options are vested and exercisable at HK\$0.087 per Share during the exercise period from 10 October 2013 to 29 June 2017;
- (v) 32,000,000 Share Options are vested and exercisable at HK\$0.364 per Share during the exercise period from 25 March 2014 to 29 June 2017;
- (vi) 2,700,000 Share Options are vested and exercisable at HK\$0.365 per Share during the exercise period from 26 March 2014 to 29 June 2017;
- (vii) 20,000,000 Share Options are vested and exercisable at HK\$0.280 per Share during the exercise period from 10 July 2014 to 29 June 2017;
- (viii) 66,000,000 Share Options are vested and exercisable at HK\$0.290 per Share during the exercise period from 27 May 2015 to 29 June 2017;
- (ix) 10,000,000 Share Options are vested and exercisable at HK\$0.270 per Share during the exercise period from 4 June 2015 to 29 June 2017; and
- (x) 100,000,000 Share Options are vested and exercisable at HK\$0.105 per Share during the exercise period from 6 May 2016 to 29 June 2017.

All of the above Share Options are vested and currently exercisable and were granted pursuant to the Share Option Scheme.

Save for the aforesaid and the Convertible Bonds, the Company does not have any outstanding options, warrants, derivatives and other securities that are convertible or exchangeable into Shares or other types of equity interest and the Company has not entered into any agreement for the issue of such warrants, options, derivatives or securities convertible into Shares as at the date of this joint announcement.

BOCOM will, on behalf of the Offeror and in compliance with the Takeovers Code, make the Share Offer to acquire all the Offer Shares and the Option Offer to cancel all outstanding Share Options on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:

The Share Offer

for each Offer ShareHK\$0.082 in cash

The Share Offer Price of HK\$0.082 for each Offer Share is the same as the purchase price per Sale Share under the Share Purchase Agreement and the purchase price per Convertible Preferred Share under the Convertible Preferred Share Purchase Agreement which was arrived at after arm's length negotiations between the Offeror and/or Tiantu and Mr. Leung.

The Option Offer

for cancellation of each Share OptionHK\$0.0001 in cash

As the relevant exercise prices of all the outstanding Share Options are above the Share Offer Price, the outstanding Share Options are out-of-money and therefore the Option Offer price for the cancellation of each outstanding Share Option is set at a nominal value of HK\$0.0001.

Pursuant to the terms of the Share Option Scheme, if a general offer is made to all the Shareholders (other than the Offeror and/or any person controlled by the Offeror and/or any person acting in association or concert with the Offeror), and such offer becomes or is declared unconditional during the option period of the relevant Share Options, the Optionholders shall be entitled to exercise the Share Options to the fullest extent at any time thereafter and up to the close of such offer. All unexercised Share Options shall lapse automatically upon the close of such offer.

Letter of Undertaking

On 22 April 2017, Mr. Leung executed the Letter of Undertaking in favour of the Company and the Offeror and has irrevocably undertaken that:

- (i) during and until close, termination or lapse of the Offers, Mr. Leung will not exercise the conversion rights attaching to the Convertible Bonds;
- (ii) subject to the Subscription Completion, Mr. Leung shall give consent to the Company for the Redemption pursuant to the terms of the Convertible Bonds;
- (iii) Mr. Leung will not from the date of the Letter of Undertaking up to and including the date of maturity of the Convertible Bonds, sell, assign, transfer or otherwise dispose of and/or encumbrance over the Convertible Bonds without the prior written consent of the Offeror;
- (iv) Mr. Leung will not accept any convertible bonds offer made in relation to the Convertible Bonds;

- (v) Mr. Leung will not from the date of the Letter of Undertaking up to and including the close, termination or lapse of the Offers, sell, assign, transfer or otherwise dispose of and/or encumbrance over his remaining 100,000,000 Shares; and
- (vi) Mr. Leung and his party acting in concert will not accept the Share Offer in respect of his remaining 100,000,000 Shares.

In view of the aforementioned undertakings, no offer will be made to the holder of the Convertible Bonds.

Comparison of value

The Share Offer Price of HK\$0.082 per Offer Share represents:

- (a) a discount of approximately 40.6% to the closing price of HK\$0.138 per Share quoted on the Stock Exchange on 10 April 2017, being the Last Trading Day;
- (b) a discount of approximately 38.3% to the average closing price of HK\$0.133 per Share quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;
- (c) a discount of approximately 33.3% to the average closing price of approximately HK\$0.123 per Share quoted on the Stock Exchange for the ten consecutive trading days immediately prior to and including the Last Trading Day;
- (d) a discount of approximately 15.5% to the average closing price of approximately HK\$0.097 per Share quoted on the Stock Exchange for the thirty consecutive trading days immediately prior to and including the Last Trading Day; and
- (e) a premium of approximately HK\$0.0821 per Share over the audited consolidated net liability value attributable to owners of the Company of approximately HK\$0.0001 per Share as at 31 December 2016, the date to which the latest audited consolidated financial results of the Company were made up.

Highest and lowest Share price

During the six-month period immediately preceding the Last Trading Day:

- (i) the highest closing prices of the Shares quoted on the Stock Exchange were HK\$0.138 per Share on 7 April 2017 and 10 April 2017; and
- (ii) the lowest closing price of the Shares quoted on the Stock Exchange was HK\$0.078 per Share on 9 March 2017.

Value of the Offers

Assuming the Offers are accepted in full on the basis that (i) none of the Share Options are exercised prior to the close of the Offers; and (ii) there is no change in the issued share capital of the Company up to the close of the Offers, a total of 2,213,405,169 issued Shares (representing the Shares not already held or agreed to be acquired by the Offeror and parties acting in concert with it, but excluding the 100,000,000 Shares held

by Mr. Leung who has given the Letter of Undertaking) will be subject to the Share Offer and a total of 273,700,000 Share Options will be subject to the Option Offer, and the maximum cash consideration payable by the Offeror under the Offers would be approximately HK\$181,526,594.

Assuming that (i) all of the Share Options are exercised in full prior to the close of the Offers and there will be no outstanding Share Options remaining for acceptance under the Option Offer; and (ii) there is no other change in the issued share capital of the Company up to the close of the Offers, there will be a total of 2,487,105,169 Shares (representing the Shares not already held or agreed to be acquired by the Offeror and parties acting in concert with it, including the 273,700,000 new Shares to be issued pursuant to the exercise in full of the Share Options, but excluding the 100,000,000 Shares held by Mr. Leung which is subject to the Letter of Undertaking) will be subject to the Share Offer, and the maximum cash consideration payable by the Offeror under the Share Offer would amount to approximately HK\$203,942,624.

Save and except for the Letter of Undertaking, the Offeror has not received any indication or irrevocable commitment from any Independent Shareholder or Optionholder that he/she/it will accept or reject the Offers as at the date of this joint announcement.

Financial resources available to the Offeror

The funds required by the Offeror to satisfy the consideration payable under the Offers will be financed from the Loan. Pursuant to the terms of the Loan Agreement, the Offeror has entered into the Share Charge in favour of Mr. Wang. Mr. Sun, the ultimate controlling shareholder of the Offeror has also entered into the Personal Guarantee in favour of Mr. Wang.

Amasse Capital, being the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the consideration payable upon full acceptance of the Offers.

Condition to the Offers

The Share Offer is conditional upon valid acceptances of the Offers having been received (and not, where permitted, withdrawn) by 4:00 p.m. on the Closing Date (or such later time or date as the Offeror may, subject to the Takeovers Code, decide) in respect of such number of Shares which, together with the Shares acquired or agreed to be acquired before or during the Offers (including the Subscription Shares), will result in the Offeror and parties acting in concert with it holding in aggregate more than 50% of the voting rights of the Company.

In the event that (i) the Offers have become unconditional as to acceptances on or before the 60th day (the “**Final Day**”) after the day the Composite Document was posted; and (ii) the Subscription has yet to be completed on the Final Day, the Offeror will proceed with the Offers in accordance with Rule 15 of the Takeovers Code.

In the event that (i) the Offers have not become unconditional as to acceptances on the Final Day; and (ii) the Subscription has yet to be completed on the Final Day, the Offeror intends to and the Company has undertaken to give consent to the extension of the Final Day to a day falling on or after the Subscription Completion in accordance with Rule 15.5 of the Takeovers Code, and an application will be made to the Executive for its consent on such extension. **Independent Shareholders, Optionholders and/or potential investors of the Company should note that such consent may or may not be granted by the Executive, and should therefore exercise caution when dealing in the securities of the Company (including the Shares and Share Options or rights in respect of them). Persons who are in doubt as to the action they should take should consult their professional advisers.**

Under the circumstance that such consent is not granted by the Executive, the Offers will lapse on the Final day accordingly. In such event, if the Subscription Completion is to take place on or before 30 September 2017 (i.e. the long stop date of the Subscription Agreement) but after the lapse of the Offers, the allotment and issue of the Subscription Shares to the Offeror will trigger the obligations of the Offeror and parties acting in concert with it to make another mandatory cash offer pursuant to Rule 26.1 of the Takeovers Code, which is, however, prohibited under Rule 31.1 of the Takeovers Code to launch such offer within 12 months from the date of the lapse of the Offers (except with the consent of the Executive). If by that time, the Offeror decides not to seek consent from the Executive in relation to the aforementioned obligations or such consent is not granted by the Executive, as the Subscription Completion is conditional upon, among others, the compliance of the requirements of the Takeovers Code, such condition to the Subscription Completion will remain unfulfilled and the Subscription Agreement will cease and determine on 30 September 2017 accordingly.

The Option Offer is conditional upon the Share Offer becoming or being declared unconditional in all respects.

The Offeror reserves the right to revise the terms of the Offers in accordance with the Takeovers Code.

In accordance with Rule 15.3 of the Takeovers Code, the Offeror must publish an announcement when the Share Offer becomes unconditional as to acceptances and when the Offers become unconditional in all respects. The Offers must also remain open for acceptance for at least fourteen (14) days after the Offers become unconditional in all respects.

Overseas Holders

The availability of the Offers to any Overseas Holders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. Overseas Holders should observe any applicable legal and regulatory requirements and, where necessary, consult their own professional advisers. It is the responsibilities of the Overseas Holders who wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offers (including the obtaining of any governmental or other

consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Holders in respect of such jurisdictions).

Any acceptance by any Overseas Holders will be deemed to constitute a representation and warranty from such Overseas Holders to the Offeror that the local laws and requirements have been complied with. The Overseas Holders should consult their professional advisers if in doubt.

Effect of accepting the Offers

Acceptance of the Share Offer by any Independent Shareholder will be deemed to constitute a warranty by such person that all Offer Shares sold by such person under the Share Offer are free from all encumbrances whatsoever together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date of the Composite Document. Acceptance of the Share Offer would be irrevocable and would not be capable of being withdrawn, subject to the provisions of the Takeovers Code.

Acceptance of the Option Offer by the Optionholders will result in the cancellation of those outstanding Share Options, together with all rights attaching thereto.

Hong Kong stamp duty

Sellers' Hong Kong ad valorem stamp duty on acceptances of the Share Offer at a rate of 0.1% of the consideration payable in respect of the relevant acceptances or, if higher, the market value of the Offer Shares subject to such acceptance, will be deducted from the amounts payable to Independent Shareholders who accept the Share Offer. The Offeror will arrange for payment of sellers' ad valorem stamp duty on behalf of Independent Shareholders who accept the Share Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Share Offer and the transfers of the relevant Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

No stamp duty is payable in connection with the acceptance of the Option Offer.

Taxation advice

Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offers. None of the Offeror, parties acting in concert with it, the Company, Amasse Capital and (as the case may be) their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offers accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

Payment

Payment in cash in respect of acceptances of the Offers will be made as soon as possible but in any event within seven business days (as defined in the Takeovers Code) of (i) the date on which the duly completed acceptances of the Offers are received, or (ii) the date of the Offers becoming unconditional in all aspects, whichever is the later. Relevant documents of title in respect of such acceptances are received by the Offeror (or its agent) to render each such acceptance complete and valid.

Dealing and interests in the company's securities

Save for the Shares that are the subject of the Convertible Preferred Share Purchase Agreement, the Share Purchase Agreement and the Subscription Agreement respectively, none of the Offeror or parties acting in concert with it has dealt in any Shares, options, derivatives, warrants or other securities convertible into Shares during the six-month period immediately prior to the date of this joint announcement.

The Offeror confirms that, as at the date of this joint announcement:

- (i) the Offeror, its ultimate beneficial owner and/or parties acting in concert with it have not received any irrevocable commitment to accept the Offers;
- (ii) there is no outstanding derivative in respect of securities in the Company which has been entered into by the Offeror, its ultimate beneficial owner and/or any person acting in concert with it;
- (iii) save for the Convertible Preferred Share Purchase Agreement, the Share Purchase Agreement, the Subscription Agreement, the Share Charge and the Letter of Undertaking, there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the Shares and which may be material to the Offers (as referred to in Note 8 to Rule 22 of the Takeovers Code);
- (iv) save for the Converted Shares and the Sale Shares, none of the Offeror, its ultimate beneficial owner and/or parties acting in concert with it owns or has control or direction over any voting rights or rights over the Shares or convertible securities, options, warrants or derivatives of the Company;
- (v) save for the Convertible Preferred Share Purchase Agreement, the Share Purchase Agreement and the Subscription Agreement, there is no agreement or arrangement to which the Offeror, its ultimate beneficial owner and/or parties acting in concert with it is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offers; and
- (vi) there is no relevant security (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror, its ultimate beneficial owner and/or any person acting in concert with it has borrowed or lent.

The Offeror, Tiantu and Mr. Leung confirm that other than the consideration paid under the Convertible Preferred Shares Purchase Agreement and/or the Share Purchase Agreement, each of the Offeror, Tiantu, their respective nominees or representatives has not and will not pay any other consideration in whatever form to Mr. Leung, his nominees or representatives in connection with the Convertible Preferred Share Purchase Agreement and/or the Share Purchase Agreement or otherwise.

D. CONNECTED TRANSACTION IN RELATION TO PROPOSED SUBSCRIPTION OF NEWS SHARES UNDER SPECIFIC MANDATE

Simultaneously with the entering into of the Share Purchase Agreement, the Company (as issuer) and the Offeror (as subscriber) entered into the Subscription Agreement. Detailed terms are as follows:

Date: 12 April 2017 (as amended by a side letter dated 23 April 2017)

Parties: Issuer: The Company

Subscriber: The Offeror

Subject matter

The Company has conditionally agreed to allot and issue, and the Offeror has conditionally agreed to subscribe, in cash, for the 1,445,000,000 Subscription Shares for total consideration of HK\$72,250,000, being HK\$0.05 per Subscription Share.

The Subscription Shares represents approximately 35.04% of the total Shares in issue as at the date of this joint announcement and approximately 25.95% of the total Shares in issue as enlarged by the allotment and issue of the Subscription Shares.

The Subscription Shares shall rank pari passu in all respects with the Shares in issue as at the date of allotment and in particular will rank in full for all dividends and other distributions declared made or paid at any time after the date of allotment.

Subscription price

The subscription price of HK\$0.05 per Subscription Share represents:

- (i) a discount of approximately 63.8% to the closing price of the Shares of HK\$0.138 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 62.4% to the average of the closing prices of HK\$0.133 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 59.3% to the average of the closing prices of approximately HK\$0.123 per Share as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Day; and

- (iv) a premium of approximately HK\$0.0501 per Share over the audited consolidated net liability value attributable to owners of the Company of approximately HK\$0.0001 per Share as at 31 December 2016, the date to which the latest audited consolidated financial results of the Company were made up.

The subscription price of HK\$0.05 per Subscription Share was negotiated and arrived at after arm's length negotiation basis and is considered fair and reasonable after taking into account that:

(i) *The recent financial performance and financial position of the Group*

According to the Company's latest annual report for the year ended 31 December 2016, the Group recorded net losses of approximately HK\$60.3 million and HK\$43.1 million for each of the two years ended 31 December 2016. The Directors consider that the weak financial performance of the Company had negative impact on the attractiveness of the Shares.

Furthermore, as the Company reported loss-making results for the two years ended 31 December 2016, the equity attributable to the owners of the Company had been reduced from approximately HK\$48.2 million as at 31 December 2015 to approximately negative HK\$0.3 million as at 31 December 2016. The subscription price of HK\$0.05 per Subscription Share represents a premium of approximately HK\$0.0501 per Share over the audited consolidated net liability value attributable to owners of the Company of approximately HK\$0.0001 per Share as at 31 December 2016.

(ii) *The recent trading performance of the Shares*

According to the website of the Stock Exchange, the average trading volume of the Shares was relatively low and was only approximately 7,190,641 Shares per trading day for the six months between 11 October 2016 to 10 April 2017, being the Last Trading Day, which represented only approximately 0.23% of the total number of issued Shares of 3,120,035,049 Shares as at the Last Trading Day. The Directors consider that the relatively low liquidity of the Shares had reduced the attractiveness of the Shares.

The sale price under the Share Purchase Agreement of HK\$0.082 per Sale Share represents a premium of approximately 64.0% to the subscription price of HK\$0.05 per Subscription Share. Such premium is considered fair and reasonable by Mr. Leung and the Offeror after taking into account that:

- (i) Mr. Leung and parties acting in concert with him, after the Share Purchase Completion, will become a minority Shareholder who will be interested in approximately 1.80% of the issued share capital of the Company immediately after the Subscription Completion. The benefits to be enjoyed by Mr. Leung from the potential positive impact of the introduction of the Offeror as the new controlling Shareholder be reduced. Given the diverse shareholder base of Hangzhou Enniu (as defined below), details of which are set out in paragraph headed "Information of the Offeror", the Directors believe that the background of the Offeror will enable

the Group (a) to expand its business scale by leveraging the expertise and resources of the Offeror; and (b) to enhance the Company's brand and reputation to attract more business opportunities; and

- (ii) given the Share Offer will be made by the Offeror at the same price as the sale price of HK\$0.082 per Sale Share, all Independent Shareholders will be able to enjoy such premium.

The price differentiation between the sale price of HK\$0.082 per Sale Share and the subscription price of HK\$0.05 per Subscription Share will not be prejudicial to the interests of the Independent Shareholders as the sale price of HK\$0.082 per Sale Share, being the same as the Share Offer Price, will also be extended to all Shareholders in the Share Offer and those who accept the Share Offer will be able to do so at the Share Offer Price, being the higher of the two prices. Shareholders are therefore given the opportunity to consider and vote for or against the Subscription at the EGM (subject to recommendations of the Independent Board Committee and the Independent Financial Adviser to be set out in the offer document) and whether to accept the Share Offer at the Share Offer Price.

Conditions precedent to the Subscription Completion

Subscription Completion is conditional upon:

- (i) the GEM Listing Committee of the Stock Exchange granting or agreeing to grant and not having withdrawn or revoked approval for the listing of, and permission to deal in the Subscription Shares;
- (ii) the passing of the necessary resolution(s) at the EGM by the Independent Shareholders who are entitled to vote and not required to abstain from voting under the GEM Listing Rules and/or the Takeovers Code to approve the Subscription Agreement and the transactions contemplated thereunder, including among others the Specific Mandate and the allotment and issue of the Subscription Shares;
- (iii) the compliance of (i) any other requirements under the GEM Listing Rules and the Takeovers Code or otherwise of (ii) the Stock Exchange and the SFC which requires compliance in relation to the Subscription and the allotment and issue of the Subscription Shares;
- (iv) there being no material breach of the representations and warranties of the Company under the terms of the Subscription Agreement;
- (v) no material adverse change in relation to the business, financial or trading position of the Group as a whole having occurred; and
- (vi) the consent of the Executive in relation to the Redemption as a "special deal" under Rule 25 of the Takeovers Code having been obtained and any condition for the giving of such consent having been fulfilled, and such consent not having been revoked prior to the Subscription Completion.

The Company shall use its best endeavours to procure the fulfilment of the above conditions. The parties to the Subscription Agreement shall furnish such information, supply such documents, pay such fees, give such undertakings and do all such acts and things as may reasonably be required by the Stock Exchange and/or the SFC in connection with the fulfilment of such conditions. The Offeror may at its discretion waive the conditions (iv) and (v) above. The other conditions set out above cannot be waived by either party to the Subscription Agreement.

If the conditions set out immediately above are not fulfilled (or, as the case may be, waived) on or before 30 September 2017 (or such later date as may be agreed between the Company and the Offeror), or the 30th day after fulfilling the condition set out in (ii) above, whichever is earlier, all rights, obligations and liabilities of the parties to the Subscription Agreement shall cease and determine and none of the parties thereto shall have any claim against the other in respect of the Subscription Agreement (save for any antecedent breaches thereof).

Subscription Completion

Subscription Completion shall take place within three Business Days at the principal place of business of the Company immediately after the date upon which the last of the conditions is satisfied (or, as the case may be, waived) or such other time and date as the parties thereto may agree.

Specific Mandate

The Subscription Shares will be allotted and issued under the Specific Mandate to be sought from the Independent Shareholders at the EGM.

An application will be made to the GEM Listing Committee of the Stock Exchange for the listing of and permission to deal in the Subscription Shares.

Equity fund raising activities by the Company in the past twelve months

The Company did not carry out any equity fund raising activities in the 12 months period immediately before the date of this joint announcement.

Reasons for the Subscription and use of proceeds

The Company is an investment holding company. The Group is principally engaged in the trading of computer hardware and software, the provision of lottery system management service and operation of lottery sales halls in the PRC.

The gross proceeds of the Subscription will be approximately HK\$72.3 million. The net proceeds from the Subscription, after the deduction of the related professional fees and other related expenses, are estimated to be approximately HK\$71.8 million. The net proceeds of approximately HK\$71.8 million from the Subscription will be used as to approximately HK\$40.0 million for the Redemption, and the remaining balance of approximately HK\$31.8 million for the Group's general working capital. The net issue price per Subscription Share will be approximately HK\$0.0497. The nominal value of the Subscription Shares is HK\$7,225,000.

It is the intention of the Directors to reduce the Company's liabilities and the Company has historically early redeemed certain portions of the Convertible Bonds from Mr. Leung at an aggregate total consideration of approximately HK\$15.0 million and HK\$36.1 million during the years ended 31 December 2015 and 2016, respectively. As at the date of this joint announcement, the outstanding principal amount of the Convertible Bonds is HK\$68,016,000 which are convertible into 56,680,000 conversion shares of the Company upon full conversion. The Directors consider that the Redemption would reduce the gearing ratio of the Company, reduce future imputed interest expenses and in turn enhance the Company's financial position.

The Directors consider that the portion of proceeds of approximately HK\$31.8 million for the Group's general working capital would be mainly applied as to (i) approximately HK\$14.0 million for staff costs which includes salaries and other benefits of staff and Directors; (ii) approximately HK\$2.5 million for rental expenses for office premises; (iii) approximately HK\$4.5 million for legal and professional fees including fees to auditors and consultants; (iv) approximately HK\$8.0 million for the business development of the Group's lottery business in the PRC; and (v) approximately HK\$2.8 million for other administrative and operating expenses which includes overseas travelling expenses, printing and other office expenses.

Among the possible fund raising alternatives available to the Company and having considered the size of the fund raising, the Board considers the Subscription is the most appropriate fund raising method and beneficial to the Company. The Directors are of the view that the Subscription will provide an opportunity to raise additional funds to further strengthen the financial position and capital base of the Group. Hence, the Board considers that the fund raising through the Subscription is in the interests of the Company and the Shareholders as a whole.

As a result of the allotment and issue of the Converted Shares and the Share Purchase Completion, the Offeror is interested in 1,444,963,213 Shares, representing approximately 35.04% of the total Shares in issue as at the date of this joint announcement, and thus the Offeror is a controlling shareholder and a connected person of the Company. The Subscription Agreement and the transactions contemplated thereunder will constitute a connected transaction for the Company under Chapter 20 of the GEM Listing Rules which requires the approval of the Independent Shareholders by way of poll at the EGM.

The Special Deal

Pursuant to the terms of the Subscription Agreement and subject to the Subscription Completion, the outstanding principal amount of the Convertible Bonds issued to Mr. Leung will be partially redeemed by the Company, using a portion of the net proceeds of the Subscription for the Redemption. Therefore, the Redemption shall constitute a "special deal" under Rule 25 of the Takeovers Code and will be conditional upon obtaining the consent of the Executive under Note 5 to Rule 25 of the Takeovers Code. The Executive will normally consent to the Special Deal provided that: (i) the Independent Financial Adviser publicly states in its opinion that the terms of the Special

Deal are fair and reasonable; and (ii) the Special Deal is approved at the EGM by way of poll by the Independent Shareholders. An application will be made to the Executive for its consent to the Special Deal pursuant to Note 5 to Rule 25 of the Takeovers Code.

Shareholding Structure of the Company

The following table sets out the shareholding structure of the Company (i) immediately prior to the allotment and issue of the Converted Shares, the Share Purchase Completion and the Subscription Completion; (ii) immediately after the allotment and issue of the Converted Shares but before the Share Purchase Completion and Subscription Completion; (iii) immediately after the allotment and issue of the Converted Shares and the Share Purchase Completion but before the Subscription Completion; and (iv) immediately after the allotment and issue of the Converted Shares, the Share Purchase Completion and the Subscription Completion (assuming no other changes to the shareholding structure of the Company prior to the Subscription Completion):

	(i) immediately prior to the allotment and issue of the Converted Shares, the Share Purchase Completion and the Subscription Completion		(ii) immediately after the allotment and issue of the Converted Shares but before the Share Purchase Completion and Subscription Completion		(iii) immediately after the allotment and issue of the Converted Shares and the Share Purchase Completion but before the Subscription Completion		(iv) immediately after the allotment and issue of the Converted Shares, the Share Purchase Completion and the Subscription Completion	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Mr. Leung and parties acting in concert with him	906,629,880	29.06	906,629,880	21.99	100,000,000	2.43	100,000,000	1.80
The Offeror and parties acting in concert with it								
Offeror	—	0.00	1,003,333,333	24.33	1,444,963,213	35.04	2,889,963,213	51.90
Tiantu (<i>Note</i>)	—	0.00	—	0.00	365,000,000	8.85	365,000,000	6.55
Sub-total	—	0.00	1,003,333,333	24.33	1,809,963,213	43.89	3,254,963,213	58.45
Public Shareholders	2,213,405,169	70.94	2,213,405,169	53.68	2,213,405,169	53.68	2,213,405,169	39.75
Total	<u>3,120,035,049</u>	<u>100.00</u>	<u>4,123,368,382</u>	<u>100.00</u>	<u>4,123,368,382</u>	<u>100.00</u>	<u>5,568,368,382</u>	<u>100.00</u>

Note: Mr. Wang, being the lender under the Loan Agreement entered into with the Offeror, is the ultimate controlling shareholder of Tiantu and given that Tiantu is also a party under the Share Purchase Agreement, Tiantu is thus considered to be a party acting in concert with the Offeror.

Information of the Group

The Company is a company incorporated in the Cayman Islands with limited liability and its Shares are listed on GEM. The Company and its subsidiaries are principally engaged in the provision of lottery system management service and the operation of lottery sales halls services in the PRC.

Set out below is the summary of financial information of the Group for each of the two financial years ended 31 December 2015 and 2016 as extracted from the annual report of the Company for the year ended 31 December 2016:

	Year ended 31 December	
	2016	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(audited)</i>	<i>(audited)</i>
Revenue	336	964
Loss before tax	(49,314)	(67,481)
Loss attributable to the owners of the Company	(37,043)	(54,679)

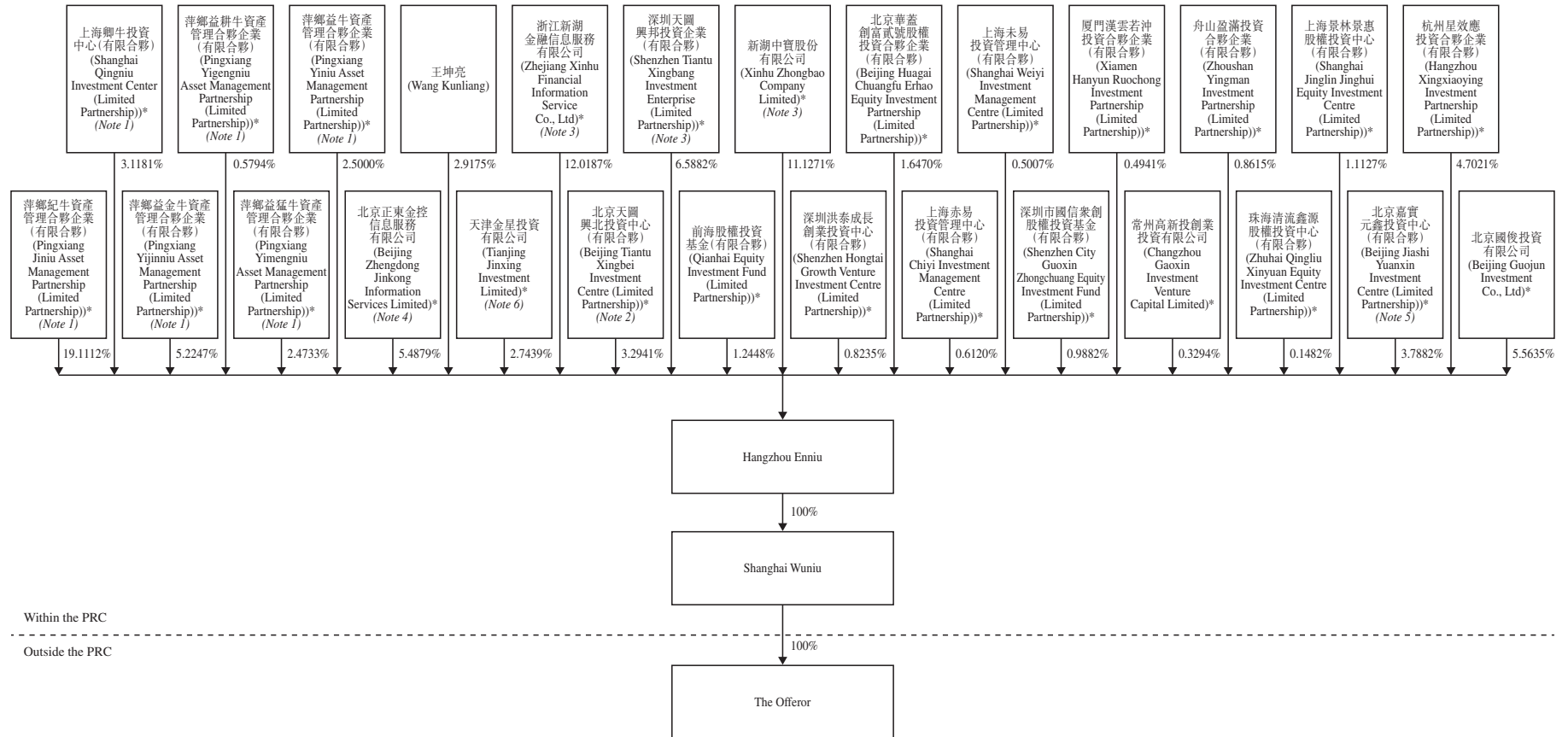
Further financial information of the Group will be set out in the Composite Document to be despatched to the Independent Shareholders and Optionholders.

Information of the Offeror

The Offeror is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding and is wholly owned by 上海悟牛網絡科技有限公司 (transliterated as Shanghai Wuniu Network Technology Company Limited) (“**Shanghai Wuniu**”). Shanghai Wuniu is principally engaged in the fields of, amongst others, internet and computer technology development, business investments, network engineering and e-commerce.

Shanghai Wuniu is in turn wholly owned by 杭州恩牛網絡技術有限公司 (transliterated as Hangzhou Enniu Network Technology Company Limited) (“**Hangzhou Enniu**”). Hangzhou Enniu is principally engaged in the fields of, amongst others, development of internet technologies and network engineering.

As at the date of this joint announcement, Hangzhou Enniu has 27 direct shareholders. Below is a chart showing the shareholders of and their respective interests in Hangzhou Enniu:



Notes:

1. Mr. Sun, through 萍鄉紀牛資產管理合夥企業(有限合夥) (Pingxiang Jiniu Asset Management Partnership (Limited Partnership))*、上海卿牛投資中心(有限合夥) (Shanghai Qingniu Investment Center (Limited Partnership))*、萍鄉益耕牛資產管理合夥企業(有限合夥) (Pingxiang Yigengniu Asset Management Partnership (Limited Partnership))*、萍鄉益金牛資產管理合夥企業(有限合夥) (Pingxiang Yijinniu Asset Management Partnership (Limited Partnership))*、萍鄉益猛牛資產管理合夥企業(有限合夥) (Yimengniu Asset Management Partnership (Limited Partnership))* and 萍鄉益牛資產管理合夥企業(有限合夥) (Pingxiang Yiniu Asset Management Partnership (Limited Partnership))*、is the ultimate controlling shareholder of Hangzhou Enniu and is indirectly interested in approximately 33.01% of the equity interest therein.
2. Mr. Wang is ultimate controlling shareholder of Shenzhen Tiantu in which he is interested in approximately 59.80% of the equity interest therein. Shenzhen Tiantu is in turn interested in 100% of the equity interest in Tiantu Xingbang and approximately 19.01% of the equity interest in Tiantu Xingbei. Tiantu Xingbang and Tiantu Xingbei are interested each interested in approximately 6.59% and 3.29% of the equity interest in Hangzhou Enniu respectively.
3. Xinhua is directly interested in approximately 11.13% of the equity interest in Hangzhou Enniu and through 浙江新湖金融信息服務有限公司 (Zhejiang Xinhua Financial Information Service Co. Ltd)* indirectly interested in approximately 12.02% of the equity interest in Hangzhou Enniu.
4. 北京京東尚博廣益投資管理有限公司 (Beijing Jingdong Shangbo Guangyi Investment Management Co., Ltd)* through 北京正東金控信息服務有限公司 (Beijing Zhengdong Jinkong Information Services Limited)*, is indirectly interested in approximately 5.49% of the equity interest in Hangzhou Enniu.
5. 嘉實投資管理有限公司 (Jiashi Investment Management Limited), through 北京嘉實元鑫投資中心(有限合夥) (Beijing Jiashi Yuanxin Investment Centre (Limited Partnership))*、is indirectly interested in approximately 3.78% of the equity interest in Hangzhou Enniu.
6. 小米科技有限責任公司 (Xiaomi Technology Co. Ltd.)*, through 天津金星投資有限公司 (Tianjin Jinxing Investment Limited)*, is indirectly interested in approximately 2.74% of the equity interest of Hangzhou Enniu.

* *(The English names have been transliterated from their respective Chinese names and are for identification only)*

Mr. Sun is the ultimate controlling shareholder of Hangzhou Enniu (and is indirectly beneficially interested in approximately 33.01% of the equity interest therein), the sole director of each of the Offeror and Shanghai Wuniu, and also one of the directors of Hangzhou Enniu. Save for Mr. Sun, no other person is directly or indirectly beneficially interested in 30% or more of the equity interest in Hangzhou Enniu.

Mr. Sun, aged 37, graduated from Hangzhou Dianzi University majoring in business management and administration, is an entrepreneur who has engaged in internet businesses since 2007 and also the chief executive officer of the company named “51 Credit Card” in the PRC. In May 2012, Hangzhou Enniu copyrighted an automated credit card bill management application named “51 Credit Card Management” which has an estimated user base of over 30 million users. The C round series financing for Hangzhou Enniu in 2016 was more than RMB2,000,000,000.

The ultimate beneficial substantial shareholders of Hangzhou Enniu include, amongst others, (i) 深圳市天圖投資管理股份有限公司 (transliterated as Shenzhen City Tiantu Investment Management Co. Ltd) (“**Shenzhen Tiantu**”) which is interested in 100% of the equity interest in 深圳天圖興邦投資企業 (有限合夥) (transliterated as Shenzhen Tiantu Xingbang Investment Enterprise (Limited Partnership)) (“**Tiantu Xingbang**”) and approximately 19.01% of the equity interest in 北京天圖興北投資中心 (有限合夥) (transliterated as Beijing Tiantu Xingbei Investment Centre (Limited Partnership)) (“**Tiantu Xingbei**”) which in turn are interested in approximately 6.59% and 3.29% of the equity interest in Hangzhou Enniu respectively; and (ii) 新湖中寶股份有限公司 (transliterated as Xihu Zhongbao Co. Ltd) (“**Xihu**”) which is directly interested in approximately 11.13% and indirectly interested in approximately 12.02% of the equity interest in Hangzhou Enniu.

Shenzhen Tiantu is a company established in the PRC in 2010 and listed on the National Equities Exchange and Quotations (NEEQ: 833979). Shenzhen Tiantu is principally engaged in investing in consumer goods companies and managing private equity funds. As at 31 December 2015, the total assets of Shenzhen Tiantu was RMB5,824,770,000. Mr. Wang is the ultimate controlling shareholder of Shenzhen Tiantu and is interested in approximately 59.80% of the equity interest therein. Shenzhen Tiantu is in turn interested in approximately 19.01% of the equity interest in Tiantu Xingbei and 100% of the equity interest in Tiantu Xingbang. Tiantu Xingbei and Tiantu Xingbang are interested in approximately 3.29% and 6.59% of the equity interest in Hangzhou Enniu respectively. Tiantu is also a wholly-owned subsidiary of Shenzhen Tiantu.

Xihu is a company established in the PRC whose shares are listed on the Shanghai Stock Exchange (stock code: 600208.SH). Xihu is principally engaged in property development and is engaged more than 30 property development projects spread out in 20 cities across the PRC. As at 31 December 2015, the total assets of Xihu was RMB89,100,000,000.

Other beneficial shareholders of Hangzhou Enniu include amongst others, (i) 北京京東尚博廣益投資管理有限公司 (transliterated as Beijing Jingdong Shangbo Guangyi Investment Management Co., Ltd) which is indirectly interested in approximately 5.49% of the equity interest in Hangzhou Enniu; (ii) 嘉實投資管理有限公司 (transliterated as Jiashi Investment Management Limited) which is indirectly interested in approximately 3.78% of the equity interest in Hangzhou Enniu; and (iii) 小米科技有限責任公司 (transliterated as Xiaomi Technology Co. Ltd.) which is indirectly interested in approximately 2.74% of the equity interest of Hangzhou Enniu.

Intention of the Offeror on the Group

It is the intention of the Offeror that the Group will continue with its existing principal activities after the close of the Offers. However, the Offeror will conduct a detailed review of the business activities and assets of the Group for the purpose of formulating business plans and strategies for the future business development of the Group with the aim of growing and expanding its business and strengthening its financial position. Subject to the results of the review, the Offeror may explore other business opportunities for the Company and consider whether any asset disposals, asset

acquisitions, business rationalization, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance long-term growth potential of the Company.

However, as at the date of this joint announcement, no such investment or business opportunities has been identified nor has the Offeror entered into an agreement, arrangements, understandings or negotiation in relation to the injection of any assets or business into the Group. Further, the Offeror has no intention to discontinue the employment of the employees or to dispose of or re-deploy the assets of the Group other than those in its ordinary course of business.

Board Composition of the Company

It is intended that all existing Directors will resign as Directors, and new Directors will be nominated with effect from the earliest time permitted for resignation and appointment of directors under the Takeovers Code. Such resignations will not take effect earlier than the date of the close of the Offers. As at the date of this joint announcement, the Offeror has not reached any final decision as to who will be nominated as new Directors. Further announcement(s) will be made by the Company in compliance with the requirements of the GEM Listing Rules as and when there are changes in the composition of the Board.

Maintaining the Listing Status of the Company and Compulsory Acquisition

The Offeror intends to maintain the listing of the Shares on the GEM after the close of the Offers.

Pursuant to the GEM Listing Rules, if, at the close of the Offers, less than the minimum prescribed percentage applicable to the Company, being 25% of the Shares, are held by the public, or if the Stock Exchange believes that:

- (a) a false market exists or may exist in the trading of the Shares; or
- (b) there are insufficient Shares in public hands to maintain an orderly market,

then the Stock Exchange may exercise its discretion to suspend dealings in the Shares.

In order to ensure that within a reasonable period after the close of the Offers, there will be not less than 25% of the Company's entire issued ordinary share capital held by the public, the Offeror will undertake to the Stock Exchange to take appropriate steps within a reasonable period following the close of the Offers to ensure that at least 25% of the Shares will be held by the public.

The Offeror does not intend to exercise or apply any right which may be available to it to acquire compulsorily any Shares outstanding after the close of the Offers.

E. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Independent Board Committee

The Independent Board Committee will be constituted in due course in accordance with Rule 2.8 of the Takeovers Code to advise and give a recommendation to (i) the Independent Shareholders in respect of the Subscription and the Special Deal; and (ii) the Shareholders other than the Offeror and parties acting in concert with it in respect of the Offers, as to whether the terms of the Offers are fair and reasonable and as to the acceptance of the Offers.

Independent Financial Adviser

An independent financial adviser to the Independent Board Committee will be appointed with the approval of the Independent Board Committee to advise the Independent Board Committee to make recommendation to (i) the Independent Shareholders in respect of the Subscription and the Special Deal; and (ii) the Shareholders other than the Offeror and parties acting in concert with it in respect of the Offers, as to whether the terms of the Offers are fair and reasonable and as to the acceptance of the Offers. An announcement of such appointment will be made in due course.

EGM

The EGM will be convened and held for the Independent Shareholders to consider and if thought fit, to approve the Subscription Agreement (including the Redemption), the Special Deal and the respective transactions contemplated thereunder.

The Offeror, being a connected person of the Company and having a material interest in the Subscription Agreement, and its associates and parties acting in concert with it are required to abstain from voting on the relevant resolution(s) to approve the Subscription Agreement (including the Redemption), the Special Deal and the respective transactions contemplated thereunder at the EGM. As a portion of the net proceeds of the Subscription will be utilized for the Redemption, Mr. Leung and his associates will also be required to abstain from voting on the relevant resolution(s) to approve the Subscription Agreement (including the Redemption), the Special Deal and the respective transactions contemplated thereunder at the EGM.

A circular containing, among other things, (i) further details about the Subscription Agreement (including the Redemption); (ii) the recommendation letter of the Independent Board Committee to the Independent Shareholders in respect of the Subscription and the Special Deal; (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the Subscription and the Special Deal; and (iv) the notice convening the EGM is expected to be despatched to the Independent Shareholders on or before 15 May 2017.

DESPATCH OF COMPOSITE DOCUMENT

The Offeror and the Company intend to combine the offer document and the offeree board circular into the Composite Document which contains amongst others, details of the Offers, accompanied by the relevant forms of acceptance, and incorporating the recommendation from the Independent Board Committee and the letter from the Independent Financial Adviser in respect of the Offers. Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document is required to be despatched within 21 days of the date of this joint announcement.

DEALING DISCLOSURE

All associates (as defined under the Takeovers Code and include persons holding 5% or more of any class of relevant securities) of the Company and the Offeror are hereby reminded to disclose their dealings in the securities of the Company pursuant to the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7-day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

TRADING HALT AND RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 11 April 2017 pending the publication of this joint announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 24 April 2017.

WARNING: INDEPENDENT SHAREHOLDERS, OPTIONHOLDERS, AND/OR POTENTIAL INVESTORS OF THE COMPANY SHOULD NOTE THAT THE SHARE OFFER IS SUBJECT TO THE SATISFACTION OF THE CONDITION, AND THE OPTION OFFER IS SUBJECT TO, AND CONDITIONAL UPON, THE SHARE OFFER BECOMING OR BEING DECLARED UNCONDITIONAL IN ALL RESPECTS. ACCORDINGLY THE OFFERS MAY OR MAY NOT BECOME UNCONDITIONAL. INDEPENDENT SHAREHOLDERS, OPTIONHOLDERS, AND/OR POTENTIAL INVESTORS OF THE COMPANY SHOULD THEREFORE EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY (INCLUDING THE SHARES AND SHARE OPTIONS OR RIGHTS IN RESPECT OF THEM). PERSONS WHO ARE IN DOUBT AS TO THE ACTION THEY SHOULD TAKE SHOULD CONSULT THEIR PROFESSIONAL ADVISERS.

DEFINITIONS

In this joint announcement, the following terms shall have the meanings set out below, unless the context otherwise requires:

- “acting in concert” has the meaning ascribed to it in the Takeovers Code;
- “Amasse Capital” means Amasse Capital Limited, a corporation licensed to carry out type 6 (advising on corporate finance) regulated activity under the SFO, being the financial adviser to the Offeror in respect of the Offers;
- “associate” has the meaning ascribed to it in the Takeovers Code;
- “Board” means the board of directors of the Company;
- “BOCOM” means BOCOM International Securities Limited, a corporation licensed to carry out Type 1 (dealing in securities), Type 2 (dealing in future contracts), Type 4 (advising on securities) and Type 5 (advising on future contracts) regulated activities under the SFO, being the agent making the Offers for and on behalf of the Offeror;
- “Business Day” means a day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 5:00 p.m. and is not lowered at or before 5:00 p.m. or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 5:00 p.m. and is not discontinued at or before 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours;
- “Closing Date” the date to be stated in the Composite Document as the first closing date or any subsequent closing date as and may be announced by the Offeror and approved by the Executive;

“Company”	means China Netcom Technology Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the GEM (Stock Code: 8071);
“Composite Document”	means the composite offer document and offeree board circular in respect of the Offers to be despatched to the Independent Shareholders and the Optionholders;
“Condition”	the condition of the Share Offer, as set out in the paragraph headed “Condition to the Offers” in this joint announcement;
“connected person”	has the same meaning ascribed to it under the GEM Listing Rules;
“controlling shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules;
“Converted Shares”	means the 1,003,333,333 new Shares being allotted and issued by the Company to the Offeror as a result of the exercise of the conversion rights attaching to the Convertible Preferred Shares;
“Convertible Bonds”	means the convertible bonds due 27 August 2020 issued by the Company on 27 August 2010 to Mr. Leung in the outstanding principal amount of HK\$68,016,000 which are convertible into 56,680,000 conversion shares of the Company upon full conversion;
“Convertible Preferred Share(s)”	means the 1,003,333,333 non-redeemable convertible preferred shares which are convertible on a one to one basis into a Share, issued and allotted by the Company to Mr. Leung pursuant to the loan capitalisation agreement dated 29 August 2012 at an issue price of HK\$0.600 per convertible preferred share;
“Convertible Preferred Share Purchase Agreement”	means the convertible preferred share purchase agreement entered into amongst Mr. Leung (as vendor) and the Offeror (as purchaser) on 11 April 2017 in relation to sale and purchase of 1,003,333,333 Convertible Preferred Shares;
“Directors”	means directors of the Company;
“EGM”	means an extraordinary general meeting of the Company to be convened to seek the approval of the Independent Shareholders in respect of the Subscription Agreement, the Special Deal and the transactions contemplated thereunder (including the Specific Mandate);

“Executive”	means the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director;
“GEM”	means the Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	means the Rules Governing the Listing of Securities on GEM;
“Group”	means the Company and its subsidiaries;
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee” or “IBC”	means an independent committee of the Board comprising all the independent non-executive Directors, who have no direct or indirect interest in the Subscription, the Special Deal or the Offers, to be established for the purpose of advising and giving a recommendation to (i) the Independent Shareholders in respect of the Subscription and the Special Deal; and (ii) the Offers, as to whether the terms of the Offers are fair and reasonable and as to acceptance of the Offers;
“Independent Financial Adviser”	means the independent financial adviser to be appointed to advise the Independent Board Committee in respect of the Offers, the Subscription and the Special Deal;
“Independent Shareholder(s)”	means shareholder(s) other than (i) Mr. Leung, his associates and parties in concert with him; (ii) the Offeror, its associates and parties acting in concert with any of them; and (iii) any person who is involved in or interested in the Special Deal;
“Last Trading Day”	means 10 April 2017, being the last trading day of the Shares before the publication of this joint announcement;
“Letter of Undertaking”	means the letter of undertaking dated 22 April 2017 issued by Mr. Leung in favour of the Company and the Offeror in respect of the Convertible Bonds and the remaining 100,000,000 Shares held by him upon Share Purchase Completion;
“Loan”	means the provision of a loan by Mr. Wang as lender, to the Offeror as borrower in the principal amount of HK\$400,000,000 pursuant to the Loan Agreement;

“Loan Agreement”	means the loan agreement entered into between Mr. Wang as lender, the Offeror as borrower and Mr. Sun as guarantor in relation to the provision of the Loan dated 6 April 2017;
“Messis Capital”	means Messis Capital Limited, a licensed corporation to carry out business in type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the financial adviser to the Company in respect of the Offers and the Subscription;
“Mr. Leung”	means Mr. Leung Ngai Man, the Chairman and an executive Director of the Company and the beneficial owner of 100,000,000 Shares as at the date of this joint announcement;
“Mr. Sun”	means 孫海濤 (Sun Haitao, Steven), the director and the ultimate controlling shareholder of the Offeror;
“Mr. Wang”	means 王永華 (Wang Yonghua), the ultimate controlling shareholder of Tiantu;
“Offer Share(s)”	means all the Share(s) in issue, other than those Shares already owned or agreed to be acquired by the Offeror and parties acting in concert with it;
“Offeror”	means 51RENPIN.COM INC., a company incorporated under the laws of the British Virgin Islands with limited liability;
“Offers”	means Share Offer and the Option Offer;
“Option Offer”	means the mandatory conditional cash offer to be made by BOCOM on behalf of the Offeror to cancel all the outstanding Share Options pursuant to the Takeovers Code;
“Optionholder(s)”	means the holder(s) of the Share Options;
“Overseas Holders”	means Shareholders and Optionholders whose addresses, as shown on the register of members of the Company, are outside Hong Kong;
“Personal Guarantee”	means the personal guarantee executed by Mr. Sun on 6 April 2017 in favour of Mr. Wang guaranteeing the obligations of the Offeror under the Loan Agreement;
“PRC”	means the People’s Republic of China which, for the purpose of this joint announcement, excludes Hong Kong, Macao Special Administrative Region of the PRC and Taiwan;

“Redemption”	redemption as to HK\$40,000,000 out of the total outstanding principal amount of HK\$68,016,000 of the Convertible Bonds by the Company;
“Sale Shares”	means an aggregate of 806,629,880 Shares, legally and beneficially owned by Mr. Leung before Share Purchase Completion;
“SFC”	means the Securities and Futures Commission of Hong Kong;
“SFO”	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	means ordinary share(s) of HK\$0.005 each in the capital of the Company;
“Share Charge”	means the share charge entered into between Mr. Wang (as chargee) and Offeror (as chargor) on 6 April 2017 whereby the Offeror has charged in favour of Mr. Wang, the Converted Shares, the Sale Shares, the Subscription Shares and the Offer Shares as security for the obligations of the Offeror pursuant to the terms and conditions of the Loan;
“Share Offer”	means the mandatory conditional cash offer made by BOCOM, on behalf of the Offeror, for all the Offer Shares in accordance with the Takeovers Code;
“Share Offer Price”	the price at which the Share Offer will be made, being HK\$0.082 per Share;
“Share Option(s)”	means the option(s) granted under the Share Option Scheme;
“Share Option Scheme”	means the share option scheme of the Company adopted on 29 June 2007;
“Share Purchase Agreement”	means the conditional share purchase agreement entered into between Mr. Leung (as vendor), the Offeror and Tiantu (as purchasers) on 12 April 2017 in respect of the Sale Shares;
“Share Purchase Completion”	means completion of the sale and purchase of the Sale Shares pursuant to the Share Purchase Agreement;
“Shareholder(s)”	means holder(s) of the Shares;
“Special Deal”	means the Redemption which constitutes a special deal under Rule 25 of the Takeovers Code;

“Specific Mandate”	the specific mandate to be obtained by the Board from the Independent Shareholders at the EGM for the allotment and issue of the Subscription Shares;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Subscription”	means the subscription of the Subscription Shares by the Offeror pursuant to the Subscription Agreement;
“Subscription Agreement”	means the subscription agreement entered into between the Company and the Offeror on 12 April 2017 in relation to the Subscription and as amended by a side letter dated 23 April 2017;
“Subscription Completion”	means the completion of the Subscription;
“Subscription Shares”	means 1,445,000,000 new Shares to be subscribed by the Offeror and allotted and issued by the Company pursuant to the Subscription Agreement;
“Takeovers Code”	means the Hong Kong Code on Takeovers and Mergers;
“Tiantu”	means Tiantu Investments International Limited, a company incorporated under the laws of Hong Kong with limited liability, which is a wholly owned subsidiary of Shenzhen Tiantu in which Mr. Wang is interested in approximately 59.80% of the equity interest therein; and
“%”	means per cent.

By Order of the Board
**CHINA NETCOM TECHNOLOGY
HOLDINGS LIMITED**
Leung Ngai Man
Chairman and Executive Director

By Order of the Board
51RENPIN.COM INC.
Sun Haitao
Director

Hong Kong, 24 April 2017

As at the date of this joint announcement, the Board comprises Mr. Leung Ngai Man and Ms. Wu Wei Hua (being Executive Directors); Mr. Cai Wei Lun, Mr. Qi Ji and Ms. Xuan Hong (being Independent Non-executive Directors).

The Directors and Mr. Leung in his capacity as the vendor jointly and severally accept full responsibility for the accuracy of the information (other than those relating to the Offeror and parties acting in concert with it) contained in this joint announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Offeror and parties acting in concert with it) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

This joint announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcement” page for at least seven days from the date of its posting and on the Company’s website at www.chinanetcomtech.com.

As at the date of this joint announcement, Mr. Sun is the sole director of the Offeror.

Mr. Sun accepts full responsibility for the accuracy of information contained in this joint announcement (other than that relating to the Group and the Directors) and confirm, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by the Group and the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.