

---

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

---

**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your securities in **China Netcom Technology Holdings Limited** (the “**Company**”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

This circular appears for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.

---



**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)**

**PROPOSED SHARE CONSOLIDATION  
CHANGE IN BOARD LOT SIZE  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Financial adviser**



**大有融資有限公司**  
**MESSIS CAPITAL LIMITED**

---

A notice convening an extraordinary general meeting (the “**EGM**”) of the Company to be held at Unit 1006, 10th Floor, Tower One Lippo Centre, 89 Queensway, Hong Kong on Friday, 24 February 2012 at 11:00 a.m. is set out on pages 12 to 13 of this circular.

Whether or not you are able to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same as soon as possible and in any event not later than 48 hours before the time of the EGM or any adjournment thereof to the Company’s Hong Kong branch share registrar and transfer office, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjournment thereof should you so wish.

This circular will remain on the “Latest Company Announcements” page of the website of the Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of its publication and on the website of the Company at [www.chinanetcomtech.com](http://www.chinanetcomtech.com).

8 February 2012

---

## CHARACTERISTICS OF GEM

---

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

---

## CONTENT

---

	<i>Page</i>
<b>Definitions</b> .....	1
<b>Expected timetable</b> .....	3
<b>Letter from the Board</b> .....	5
<b>Notice of the EGM</b> .....	12

---

## DEFINITIONS

---

*In this circular, the following expressions shall have the meanings set out below unless the context requires otherwise:*

“Board”	the board of Directors
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	China Netcom Technology Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM
“Consolidated Share(s)”	ordinary share(s) of HK\$0.005 each in the share capital of the Company after the Share Consolidation becoming effective
“Convertible Bond(s)”	the convertible bonds issued by the Company on 27 August 2010
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving, among others, the Share Consolidation
“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
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	3 February 2012, being the latest practicable date for ascertaining certain information in this circular before printing of this circular
“PRC”	the People’s Republic of China, which for the purpose of this circular excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Share Consolidation”	the proposed consolidation of every five (5) issued and unissued Shares into one (1) Consolidated Share

---

## DEFINITIONS

---

“Share Option Scheme”	the share option scheme adopted by the Company on 29 June 2007
“Share(s)”	existing ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

---

## EXPECTED TIMETABLE

---

*Set out below is an indicative timetable for the implementation of the Share Consolidation and the relevant trading arrangements for the change in board lot size. The timetable is subject to the results of the EGM. The Company will notify the Shareholders of any changes to the expected timetable by way of announcement(s) as and when appropriate.*

<b>Event</b>	<b>Year 2012</b>
Despatch of circular with notice of EGM . . . . .	Wednesday, 8 February
Latest time for lodging proxy form . . . . .	11:00 a.m. Wednesday, 22 February
Date of EGM . . . . .	11:00 a.m. Friday, 24 February
Announcement on results of EGM. . . . .	Friday, 24 February
Effective date for the Share Consolidation. . . . .	Monday, 27 February
Commencement of dealings in Consolidated Shares. . . . .	9:00 a.m. Monday, 27 February
First day for free exchange of existing share certificates for new share certificates. . . . .	Monday, 27 February
Original counter for trading in Shares in board lots of 15,000 Shares temporarily closes . . . . .	9:00 a.m. Monday, 27 February
Temporary counter for trading in Consolidated Shares in board lots of 3,000 Consolidated Shares (in the form of existing share certificates) opens . . . . .	9:00 a.m. Monday, 27 February
Original counter for trading in Consolidated Shares in new board lots of 5,000 Consolidated Shares (in the form of new share certificates) re-opens . . . . .	9:00 a.m. Monday, 12 March
Parallel trading in Consolidated Shares in the form of new share certificates and existing share certificates commences. . . . .	9:00 a.m. Monday, 12 March
Designated broker starts to stand in the market to provide matching services for odd lots of Shares and the Consolidated Shares (if applicable) . . . . .	Monday, 12 March
Temporary counter for trading in Consolidated Shares in board lots of 3,000 Consolidated Shares (in the form of existing share certificates) closes. . . . .	4:00 p.m. Friday, 30 March

---

## EXPECTED TIMETABLE

---

Parallel trading in Consolidated Shares in the  
form of new share certificates and existing  
share certificates closes . . . . . Friday, 30 March

Designated broker ceases to stand in the market to  
provide matching services for odd lots of the Shares  
and the Consolidated Shares (if applicable) . . . . . Friday, 30 March

Last day for free exchange of existing share  
certificates for new share certificates . . . . . Tuesday, 3 April

All times and dates in this circular refer to Hong Kong local times and dates.

---

LETTER FROM THE BOARD

---



**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)**

***Executive Directors:***

Mr. Leung Ngai Man (*Chairman*)  
Mr. Ng Kwok Chu, Winfield  
Ms. Wu Wei Hua

***Independent non-executive Directors:***

Dr. Leung Wai Cheung  
Mr. Cai Wei Lun

***Registered office:***

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

***Head office and principal  
place of business:***

Units 1006, 10th Floor  
Tower One, Lippo Centre  
89 Queensway  
Hong Kong

8 February 2012

*To the Shareholders, and for information only,  
the holders of share options and convertible bonds of the Company*

Dear Sir/Madam,

**PROPOSED SHARE CONSOLIDATION  
AND  
CHANGE IN BOARD LOT SIZE**

**INTRODUCTION**

Reference is made to the announcement of the Company dated 19 January 2012 regarding the proposal to implement the Share Consolidation pursuant to which every five (5) Shares in the issued and unissued share capital of the Company will be consolidated into one (1) Consolidated Share.

The purpose of this circular is to provide you with information relating to the Share Consolidation, change in board lot size and the notice of the EGM.

---

## LETTER FROM THE BOARD

---

### **PROPOSED SHARE CONSOLIDATION**

The Company proposes to put forward for approval by the Shareholders the Share Consolidation pursuant to which every five (5) Shares in the issued and unissued share capital of the Company will be consolidated into one (1) Consolidated Share. Fractional Consolidated Shares will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a Shareholder regardless of the number of share certificates held by such Shareholder.

### **Effect of the Share Consolidation**

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$100,000,000 comprising 100,000,000,000 Shares of HK\$0.001 each, of which 9,271,175,247 Shares have been issued and fully paid or credited as fully paid. Upon the Share Consolidation taking effect and on the basis that the Company does not allot and issue any further Shares or repurchase any Shares prior thereto, the authorised share capital of the Company will remain at HK\$100,000,000 but will comprise 20,000,000,000 Consolidated Shares of HK\$0.005 each, of which 1,854,235,049 whole Consolidated Shares of HK\$0.005 each will be in issue.

The Consolidated Shares will rank pari passu in all respects with each other and the Share Consolidation will not result in any change in the relative rights of the Shareholders.

Other than the relevant expenses incurred, the implementation of the Share Consolidation will have no effect on the consolidated net asset value of the Group, nor will it alter the underlying assets, business, operations, management or financial position of the Company or the interests of the Shareholders, save for any fractional Consolidated Shares to which Shareholders may be entitled.

The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Group and that on the date the Share Consolidation is to be effected, there are no reasonable grounds for believing that the Company is, or after the Share Consolidation would be, unable to pay its liabilities as they become due. The Share Consolidation will not involve any diminution of any liability in respect of any unpaid capital of the Company or the repayment to the Shareholders of any unpaid capital of the Company.

### **Conditions of the Share Consolidation**

The Share Consolidation is conditional upon:

- (i) the passing of the necessary resolution(s) by the Shareholders to approve the Share Consolidation at the EGM; and
- (ii) the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares.

---

## LETTER FROM THE BOARD

---

### **Listing application**

An application will be made by the Company to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares to be in issue upon the Share Consolidation becoming effective.

None of the equity or debt securities of the Company is listed or dealt in on any other stock exchanges other than the Stock Exchange and no such listing or permission to deal in is being or is currently proposed to be sought from any other stock exchange.

Subject to granting the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

### **Change in board lot size**

The Shares are currently traded on the Stock Exchange in board lot size of 15,000 Shares. The Company proposes that subject to and upon the Share Consolidation becoming effective, the board lot size be changed from 15,000 Shares to 5,000 Consolidated Shares.

### **ADJUSTMENT IN RELATION TO THE OUTSTANDING SHARE OPTIONS AND THE CONVERTIBLE BONDS**

The Share Consolidation may cause adjustments to the subscription prices and/or the number of share options pursuant to the terms and conditions of the Share Option Scheme. As at the Latest Practicable Date, there were outstanding options granted under the Share Option Scheme to subscribe for 160,000,000 new Shares. The Share Consolidation may also cause adjustments to the conversion prices of the Convertible Bonds. As at the Latest Practicable Date, there were outstanding Convertible Bonds which may be converted into 600,416,666 new Shares. Save for the above, the Company has no other outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares as at the Latest Practicable Date. The Company will instruct its auditors or an independent financial adviser or other appropriate persons to certify the adjustments, if any, to the subscription price of the outstanding share options and Convertible Bonds in accordance with the relevant terms and conditions and will inform the holder(s) of share options and Convertible Bonds of such adjustments, if any.

Further announcement will be made by the Company in respect of such adjustments as and when appropriate.

---

## LETTER FROM THE BOARD

---

### Reasons for the Share Consolidation and change in board lot size

It is expected that the Share Consolidation would bring about a corresponding upward adjustment in the trading price of the Consolidated Shares. It is also expected that the change in board lot size would bring about a corresponding upward adjustment in the trading price of each board lot of Consolidated Shares. As a result, the Share Consolidation and change in board lot size would enable the Company to comply with the trading requirements under the GEM Listing Rules. Accordingly, the Board is of the view that the Share Consolidation and change in board lot size are in the interests of the Company and the Shareholders as a whole.

### Effects of the Share Consolidation on the share capital of the Company

The following table shows the total authorised share capital and issued share capital of the Company as at the Latest Practicable Date and immediately after the Share Consolidation becoming effective (assuming that the Company will not allot and issue any further Shares or repurchase any Shares prior thereto):

	As at the Latest Practicable Date		Immediately after the Share Consolidation becoming effective	
	<i>Number of Shares</i>	<i>HK\$</i>	<i>Number of Consolidated Shares</i>	<i>HK\$</i>
Authorised share capital	100,000,000,000	100,000,000	20,000,000,000	100,000,000
Issued share capital	9,271,175,247	9,271,175.247	1,854,235,049.4	9,271,175.247

### Exchange of share certificates

Subject to the Share Consolidation becoming effective, which is expected to be on 27 February 2012, Shareholders may, during the period from 27 February 2012 to 3 April 2012 (both days inclusive), submit share certificates, which are beige in colour, for the existing Shares to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, in exchange, at the expense of the Company, for new share certificates, which are blue in colour, for the Consolidated Shares. Thereafter, share certificates for existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may be allowed by the Stock Exchange from time to time) for each share certificate for existing Shares cancelled or each new share certificate issued for Consolidated Shares, whichever number of certificates cancelled/issued is higher. Share certificates for existing Shares will continue to be good evidence of legal title but will cease to be valid for dealing, trading and settlement purposes after the parallel trading in the Consolidated Shares ends.

---

## LETTER FROM THE BOARD

---

### **Arrangement on odd lot trading**

In order to facilitate the trading of odd lots of the Consolidated Shares (if applicable) arising from the change in board lot size and the Share Consolidation, the Company will appoint Astrum Capital Management Limited to provide matching service, on a best effort basis, to those Shareholders who wish to top-up or sell their shareholdings of odd lots of the Consolidated Shares (if applicable), for the period from 12 March 2012 to 30 March 2012 (both days inclusive).

Holders of the Consolidated Shares (if applicable) in odd lots who wish to take advantage of this facility either to dispose of their odd lots of the Consolidated Shares (if applicable) or to top-up their odd lots to a full new board lot may directly or through their broker contact Ms. Amy Leung of Astrum Capital Management Limited, at Unit 1807, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong (Telephone number: (852) 3665 8112) during the aforesaid period. Holders of the Consolidated Shares (if applicable) in odd lots should note that the matching of the sale and purchase of odd lots of the Consolidated Shares (if applicable) is on a best effort basis and successful matching of the sale and purchase of odd lots of the Consolidated Shares (if applicable) is not guaranteed. Shareholders are recommended to consult their professional advisers if they are in doubt about the above facility.

### **Trading arrangement**

Subject to the Share Consolidation becoming effective, the trading arrangement for trading in the Consolidated Shares will be as follows:

- (i) with effect from 9:00 a.m. on 27 February 2012, the original counter for trading in Shares in board lots of 15,000 Shares will close temporarily. A temporary counter for trading in Consolidated Shares in board lots of 3,000 Consolidated Shares, in the form of existing share certificates, will be established, and the settlement and delivery for trading at this temporary counter will be on the basis of every five (5) Shares for one (1) Consolidated Share. Only existing share certificates for Shares (beige in colour) can be traded at this temporary counter;
- (ii) with effect from 9:00 a.m. on 12 March 2012, the original counter for trading in Consolidated Shares in new board lots of 5,000 Consolidated Shares will be re-opened. Only new share certificates for the Consolidated Shares (blue in colour) can be traded at this counter;
- (iii) during the period from 9:00 a.m. on 12 March 2012 to 4:00 p.m. on 30 March 2012 (both days inclusive), parallel trading in the Consolidated Shares will be carried out at the above two counters described in paragraphs (i) and (ii) above; and
- (iv) the temporary counter for trading in Consolidated Shares in the form of the existing share certificates (beige in colour) in board lots of 3,000 Consolidated Shares will be closed at 4:00 p.m. on 30 March 2012. Thereafter, trading will only be in Consolidated Shares in the form of new share certificates (blue in colour) in board lots of 5,000 Consolidated Shares and the existing share certificates (beige in colour) for Shares will cease to be acceptable for trading and settlement purposes.

---

## LETTER FROM THE BOARD

---

### **EGM**

A notice convening the EGM to be held at Unit 1006, 10th Floor, Tower One, Lippo Centre, 89 Queensway, Hong Kong on Friday, 24 February 2012 at 11:00 a.m. is set out on pages 12 to 13 of this circular.

The EGM is convened to be held for the purpose of considering and, if thought fit, passing, among others, the ordinary resolution to approve the Share Consolidation. To the best of the Director's knowledge, information and belief having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolution approving the Share Consolidation at the EGM.

Whether or not you are able to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same as soon as possible and in any event not later than 48 hours before the time of the EGM or any adjournment thereof to the Company's Hong Kong branch share registrar and transfer office, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjournment thereof should you so wish.

The resolution proposed to be approved at the EGM will be taken by poll and an announcement will be made by the Company following the conclusion of the EGM to inform you of its results.

### **INFORMATION OF THE COMPANY**

The Company is incorporated in the Cayman Islands with limited liability and, through its subsidiaries, is principally engaged in the trading of computer hardware and software, exploration of gold mine and development of computer software, hardware and application system, sale of self-developed technology, provision of relevant technical consultancy in the PRC, and development and provision of operation software system sector of the PRC lottery market.

### **RECOMMENDATION**

The Directors (including all the independent non-executive Directors) are of the view that the Share Consolidation is fair and reasonable, and is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Share Consolidation.

---

## LETTER FROM THE BOARD

---

### RESPONSIBILITY STATEMENT

This circular, 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 circular 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 circular misleading.

Yours faithfully,  
By order of the Board  
**China Netcom Technology Holdings Limited**  
**Ng Kwok Chu, Winfield**  
*Executive Director*

---

## NOTICE OF THE EGM

---



# 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)

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting of China Netcom Technology Holdings Limited (“**Company**”) will be held at Unit 1006, 10th Floor, Tower One, Lippo Centre, 89 Queensway, Hong Kong on 24 February 2012 at 11:00 a.m. to consider and, if thought fit, pass the following resolution, with or without amendment(s), as an ordinary resolution of the Company:

“**THAT**, conditional upon the GEM Listing Committee of The Stock Exchange of Hong Kong Limited granting the approval of the listing of, and permission to deal in, the consolidated shares of HK\$0.005 each (“**Consolidated Shares**”) arising from the Share Consolidation (as defined below) pursuant to this resolution, with effect from 9:00 a.m. (Hong Kong time) on the trading day immediately following the date of passing of this resolution,

- (a) every five (5) issued and unissued shares of HK\$0.001 each in the capital of the Company be consolidated into one (1) Consolidated Share of HK\$0.005 (“**Share Consolidation**”); and
- (b) any one of the directors of the Company be and is hereby authorised generally to do all things appropriate to effect and implement the Share Consolidation as such director may deem necessary and/or expedient.”

By order of the Board  
**China Netcom Technology Holdings Limited**  
**Ng Kwok Chu, Winfield**  
*Executive Director*

Hong Kong, 8 February 2012

As of the date hereof, the board comprised the following directors of the Company (“**Directors**”):

*Executive Directors:*

Mr. Leung Ngai Man (*Chairman*)  
Mr. Ng Kwok Chu, Winfield  
Ms. Wu Wei Hua

*Independent non-executive Directors:*

Dr. Leung Wai Cheung  
Mr. Cai Wei Lun

Principal place of business in Hong Kong:

Unit 1006, 10th Floor  
Tower One Lippo Centre  
89 Queensway  
Hong Kong

---

## NOTICE OF THE EGM

---

*Notes:*

1. Any member entitled to attend and vote at the above meeting is entitled to appoint one or, if he/she is the holder of two or more shares, more than one proxy to attend and vote on his/her behalf in accordance with the articles of association of the Company. A proxy need not be a member of the Company.
2. To be valid, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be deposited at the Company's Hong Kong branch share register and transfer office, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 48 hours before the time appointed for holding of the meeting or any adjourned meeting.
3. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the above meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. In the case of joint holders of a share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto. If more than one of such joint holders are present at the above meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.