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**中彩網通控股有限公司**  
**China Netcom Technology Holdings Limited**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8071)**

**DISCLOSEABLE TRANSACTION**  
**DISPOSAL OF AWS CLOUD SERVICES BUSINESS**

**THE DISPOSAL**

The Board wishes to announce that Hangzhou Zhongtuo entered into the Sale and Purchase Agreement with Shenzhen Tiankun on 27 August 2024, pursuant to which Hangzhou Zhongtuo has agreed to sell, and Shenzhen Tiankun has agreed to purchase, the AWS Cloud Services Business for an aggregate consideration of USD600,000 (equivalent to RMB4,290,000).

**LISTING RULE IMPLICATIONS**

As the highest percentage ratio applicable for the Disposal is above 5% but below 25%, the transaction contemplated under the Sale and Purchase Agreement constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules, and is therefore subject to the reporting and announcement requirements, but exempt from the circular and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

**INTRODUCTION**

The Board wishes to announce that Hangzhou Zhongtuo entered into the Sale and Purchase Agreement with Shenzhen Tiankun on 27 August 2024, pursuant to which Hangzhou Zhongtuo has agreed to sell, and Shenzhen Tiankun has agreed to purchase, the AWS Cloud Services Business.

## THE SALE AND PURCHASE AGREEMENT

### Date

27 August 2024

### Parties

- (1) Shenzhen Tiankun, as purchaser
- (2) Hangzhou Zhongtuo, as vendor

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Shenzhen Tiankun is ultimately owned as to 26.04% by each of Fu Yanhua (符燕華), Wu Yan (鄔燕) and Jiang Peng (姜鵬), 11.65% by Zhang Zhe (章哲), and three other individuals each not ultimately holding more than 5% equity. Shenzhen Tiankun and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

### Subject matter

Pursuant to the Sale and Purchase Agreement, Hangzhou Zhongtuo has agreed to sell, and Shenzhen Tiankun has agreed to purchase, the AWS Cloud Services Business, in which Hangzhou Zhongtuo provides cloud storage and computing services using licenses granted by AWS PRC. The AWS Cloud Services Business to be transferred to and assumed by Shenzhen Tiankun consists of the (a) licenses and qualifications granted by AWS PRC to Hangzhou Zhongtuo for the worldwide resale (including in the PRC) of its cloud computing web services and products (the “**Cloud Licenses**”); (b) customers of the AWS Cloud Services Business (including deposits and balance of prepayments received for the AWS Cloud Services Business); (c) personnel responsible for operating the AWS Cloud Services Business; (d) account payables and account receivables attributable to the AWS Cloud Service Business; and (e) rights and obligations under the respective contracts entered into with the customers and suppliers of the AWS Cloud Services Business (items (b), (c), (d) and (e) collectively referred to as the “**Cloud Resources**”).

The Cloud Licenses and Cloud Resources to be transferred to and assumed by Shenzhen Tiankun shall be those as from 1 June 2024, and such transfer shall be completed before 31 August 2024.

### Consideration for the Disposal and payment terms

The total consideration for the Disposal shall be USD600,000 (equivalent to RMB4,290,000), which shall be paid by Shenzhen Tiankun in the following manner:

- (1) A sum of USD420,000 (equivalent to RMB3,003,000) shall be payable to Hangzhou Zhongtuo, which had been settled by the earnest money for the same amount paid by Shenzhen Tiankun prior to the signing of the Sale and Purchase Agreement; and

- (2) The remaining USD180,000 (equivalent to RMB1,287,000) within 15 business days of receipt of the value-added tax invoice after Shenzhen Tiankun has confirmed the successful transfer of the Cloud Licenses (to be certified by an updated license ownership certificate issued by AWS PRC) and of the Cloud Resources (to be certified by the countersignature of a handover list by Shenzhen Tiankun).

The consideration was determined after arm's length negotiation between the parties with reference to existing customer base, and the historical operating and financial performance of the AWS Cloud Services Business.

#### **Other principal terms**

- (1) If the transfer of the Cloud Licenses fails to take place within 30 days from 31 August 2024 due to the fault of Hangzhou Zhongtuo, Hangzhou Zhongtuo shall return all sums paid by Shenzhen Tiankun together with a sum amounting to 3% of the total consideration as liquidated damages within 15 business days, and the parties shall renegotiate the terms and conditions related to the transfer of the Cloud Licenses.
- (2) If the transfer of the Cloud Licenses fails to take place within 30 days from 31 August 2024 due to force majeure event or reasons not attributable to either party, Hangzhou Zhongtuo shall return all sums paid by Shenzhen Tiankun, and the parties shall renegotiate the terms and conditions related to the transfer of the Cloud Licenses.
- (3) If the transfer of the Cloud Licenses fails to take place within 30 days from 31 August 2024 due to the fault of Shenzhen Tiankun, Hangzhou Zhongtuo shall return all sums paid by Shenzhen Tiankun after deducting a sum amounting to 3% of the total consideration as liquidated damages, and the parties shall renegotiate the matters related to the transfer of the Cloud Licenses.

## FINANCIAL INFORMATION RELATING TO THE AWS CLOUD SERVICES BUSINESS AND FINANCIAL EFFECTS OF THE DISPOSAL

As at 30 June 2024, the book value of the total assets comprising the AWS Cloud Services Business was approximately RMB147,542. Due to the nature of the AWS Cloud Services Business model, the agency principle is adopted and its revenue is recognised on a net basis, and that the other costs, administrative expenses and taxation of the AWS Cloud Services Business and other business operations of Hangzhou Zhongtuo are calculated on a consolidated basis, information regarding the net profits before and after taxation attributable to the AWS Cloud Services Business is not available. Instead, set forth below is the net revenue attributable to the AWS Cloud Services Business for the two years ended 31 December 2022 and 31 December 2023, respectively.

	<b>Year ended 31 December 2022</b> (Audited) (RMB)	<b>Year ended 31 December 2023</b> (Audited) (RMB)
<b>Net revenue</b>	1,536,200	3,402,782

It is estimated that the Company will realise an unaudited gain of approximately RMB4,570,713 from the Disposal. The aforementioned estimated gain is calculated by deducting from the consideration of the Disposal the total asset and liability attributable to the AWS Cloud Services Business as at 30 June 2024. The actual amount of gain or loss as a result of the Disposal to be recorded by the Group is subject to review and final audit to be performed by the Company's auditors. The Company intends to utilize the net proceeds as the Group's general working capital.

### REASONS FOR AND BENEFITS OF THE SALE AND PURCHASE AGREEMENT

Competition in the cloud business market has become increasingly fierce in recent years, especially with the increased data usage as a result of the rising application of artificial intelligence, Internet-of-Things, and big data analysis. Meanwhile, the Group's cloud services continues to incur high costs with relatively low margins.

Accordingly, the Board is of the view that downsizing the scale of the Group's cloud services and disposing the AWS Cloud Services Business would allow the Group to better allocate its resources towards developing other value-added services and products and exploring new business opportunities.

Taking into account the above, the Board considers that the Disposal and the terms of the Sale and Purchase Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and Shareholders as a whole.

## **INFORMATION ABOUT THE GROUP AND SHENZHEN TIANKUN**

The Company is an investment holding company, and through its subsidiaries, is principally engaged in the smart retail business.

Shenzhen Tiankun is principally engaged in semiconductor components distribution and the design and promotion of analog chips, power management and storage devices.

## **LISTING RULES IMPLICATIONS**

As the highest percentage ratio applicable for the Disposal is above 5% but below 25%, the transaction contemplated under the Sale and Purchase Agreement constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules, and is therefore subject to the reporting and announcement requirements, but exempt from the circular and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context otherwise required, the following terms and expressions have the following meanings when used herein.

“AWS Cloud Services Business”	the cloud storage and computing services provided by Hangzhou Zhongtuo using licenses granted by AWS PRC, comprising of the Cloud Licenses and the Cloud Resources
“AWS PRC”	the subsidiaries of Amazon Web Services, Inc. located in the PRC
“Board”	the board of Directors
“Cloud Licenses”	has the meaning ascribed to it in the section headed “THE SALE AND PURCHASE AGREEMENT — Subject matter”
“Cloud Resources”	has the meaning ascribed to it in the section headed “THE SALE AND PURCHASE AGREEMENT — Subject matter”
“Company”	China Netcom Technology Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Cloud Services Business on the terms and conditions of the Sale and Purchase Agreement
“GEM”	GEM of the Stock Exchange

“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hangzhou Zhongtuo”	Hangzhou Zhongtuo Netcom Technology Limited (杭州眾拓網通科技有限公司), a company established in the PRC with limited liability and a subsidiary of the Company
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the agreement dated 27 August 2024 entered into between Hangzhou Zhongtuo and Shenzhen Tiankun regarding the Disposal
“Shareholder(s)”	shareholder(s) of the Company
“Shenzhen Tiankun”	Shenzhen Tiankun Technology Co., Ltd* (深圳市天鯤科技有限公司), a company established in the PRC with limited liability
“USD”	United States dollars, the lawful currency of the United States of America
“%”	per cent

\* For identification purposes only

*In this announcement, amounts quoted in USD have been converted into RMB at the rate of RMB7.15 = USD1.00. Such exchange rate has been used, where applicable, for purpose of illustration only and does not constitute representation that any amounts were or may have been exchanged at such rate or any other rates.*

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

27 August 2024

*As at the date of this announcement, the executive Directors are Mr. Sun Haitao and Ms. Wu Shan; and the independent non-executive Directors are Mr. Song Ke, Ms. Liu Jia and Mr. Yu Tat Chi Michael.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

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