中国优通控股
China UT Holding

CHINA U-TON HOLDINGS LIMITED
中 國 優 通 控 股 有 限 公 司

(incorporated in the Cayman Islands with limited liability)

(Stock Code on Main Board: 6168)

(Stock Code on GEM: 8232)

TRANSFER OF LISTING FROM THE GROWTH ENTERPRISE MARKET TO THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Financial adviser to the Company

國泰君安國際
GUOTAI JUNAN INTERNATIONAL

Guotai Junan Capital Limited

On 11 April 2014, an application was made by the Company to the Stock Exchange for the transfer of listing of all the Shares in issue from GEM to the Main Board.

The Company has applied for the listing of, and permission to deal in, (i) the 1,695,120,000 Shares in issue; and (ii) the 152,880,000 Shares which may fall to be issued pursuant to the exercise of the share options that may be granted under the Share Option Scheme, on the Main Board by way of transfer of listing from GEM to the Main Board. The approval-in-principle has been granted by the Stock Exchange on 24 July 2014 for the Shares to be listed on the Main Board and de-listed from GEM, according to Rule 9A.09(6) of the Main Board Listing Rules.

All pre-conditions for the Transfer of Listing as set out in Rule 9A.02 of the Main Board Listing Rules have been fulfilled in relation to the Company and the Shares as at the date of this announcement. The last day of dealings in the Shares on GEM (Stock code: 8232) will be Thursday, 31 July 2014. Dealings in the Shares on the Main Board (Stock code: 6168) will commence at 9:00 a.m. on Friday, 1 August 2014.

The Transfer of Listing will have no effect on the existing share certificates in respect of the Shares which will continue to be good evidence of legal title and be valid for trading, settlement and registration purposes and will not involve any transfer or exchange of the existing share certificates. Currently, the Shares are traded in a board lot of 5,000 Shares each and are traded in Hong Kong dollars. No change will be made to the English and Chinese stock short names of the Company, the existing share certificates, the board lot size, the trading currency of the Shares and the Hong Kong branch share registrar and transfer office of the Company following the Transfer of Listing.

Reference is made to the announcement issued by the Company dated 11 April 2014 in relation to the formal application submitted to the Stock Exchange for the Transfer of Listing under the transfer of listing arrangement pursuant to the relevant provisions of the GEM Listing Rules and the Main Board Listing Rules.

TRANSFER OF LISTING OF THE SHARES FROM GEM TO THE MAIN BOARD

On 11 April 2014, an application was made by the Company to the Stock Exchange for the transfer of listing of all the Shares in issue from GEM to the Main Board. The Company has applied for the listing of, and permission to deal in, (i) the 1,695,120,000 Shares in issue; and (ii) the 152,880,000 Shares which may fall to be issued pursuant to the exercise of the share options that may be granted under the Share Option Scheme, on the Main Board by way of transfer of listing from GEM to the Main Board. The approval-in-principle has been granted by the Stock Exchange on 24 July 2014 for the Shares to be listed on the Main Board and de-listed from GEM, according to Rule 9A.09(6) of the Main Board Listing Rules.

All pre-conditions for the Transfer of Listing as set out in Rule 9A.02 of the Main Board Listing Rules have been fulfilled in relation to the Company and the Shares as at the date of this announcement.

As at the date of this announcement, the Company is not aware of any unfavourable trends and developments (other than those disclosed by the Company before) which may have a material adverse impact on its business and financial performance subsequent to the date of the latest published quarterly report for the three months ended 31 March 2014.

REASONS FOR THE TRANSFER OF LISTING

The Company has been listed on GEM since 12 June 2012. The Group is principally engaged in the provision of deployment services of optical fibers to telecommunication operators in the PRC.

The Directors believe that the listing of the Shares on the Main Board will enhance the profile of the Group and could improve the trading liquidity of the Shares. The Directors also believe that following the Transfer of Listing, the Company could gain a wider recognition among larger institutional and retail investors. The Directors consider that the listing of the Shares on the Main Board will be beneficial to the future growth, financial flexibility and business development of the Company. No change in nature of the business of the Group is contemplated by the Directors following the Transfer of Listing.

The Transfer of Listing will not involve any issue of new Shares by the Company.

DEALINGS IN THE SHARES ON THE MAIN BOARD

The Shares have been accepted as eligible securities by HKSCC for deposit, clearance and settlement in the CCASS with effect from 12 June 2012, the first date on which the Shares were listed on GEM. Subject to the continued compliance with the stock admission requirements of HKSCC, the Shares will continue to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS once dealings in the Shares on the Main Board commence, and that all activities under CCASS are subject to the General Rules of the CCASS and CCASS Operational Procedures in effect from time to time.

The last day of dealings in the Shares on GEM (Stock code: 8232) will be Thursday, 31 July 2014. Dealings in the Shares on the Main Board (Stock code: 6168) will commence at 9:00 a.m. on Friday, 1 August 2014.

The Transfer of Listing will have no effect on the existing share certificates in respect of the Shares which will continue to be good evidence of legal title and be valid for trading, settlement and registration purposes and will not involve any transfer or exchange of the existing share certificates. Currently, the Shares are traded in a board lot of 5,000 Shares each and are traded in Hong Kong dollars. No change will be made to the English and Chinese stock short names of the Company, the existing share certificates, the board lot size, the trading currency of the Shares and the Hong Kong branch share registrar and transfer office (which is Tricor Investor Services Limited) of the Company following the Transfer of Listing.

SHARE OPTION SCHEME

The Share Option Scheme was adopted by the Company on 27 May 2012, for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group, which will expire on 26 May 2022. The Share Option Scheme will remain effective after the Transfer of Listing and will be implemented in full compliance with Chapter 17 of the Listing Rules.

6,720,000 and 8,400,000 share options were granted under the Share Option Scheme on 14 August 2012 and 3 June 2013, respectively. All the 15,120,000 share options granted were exercised on 28 March 2014. As at the date of this announcement, a total of 152,880,000 Shares could be issued upon the exercise of all options which may be but not yet granted under the Share Option Scheme. The details of the share options which have been granted and exercised are as follows:

Date of grant	Number of options	Exercise price per Share	Date of exercise
14 August 2012	6,720,000	HK$0.65	28 March 2014
3 June 2013	8,400,000	HK$0.82	28 March 2014

The listing of the Shares issued and to be issued pursuant to the Share Option Scheme will also be transferred to the Main Board pursuant to Rule 9A.10 of the Listing Rules.

Save as disclosed above, as at the date of this announcement, there are no other outstanding options, warrants or similar rights or convertible equity securities issued by the Company which will be transferred to the Main Board.

PUBLIC FLOAT

The Directors confirm that approximately 27.78% of the total issued share capital of the Company is held by the public (as defined in the Listing Rules) as at the date of this announcement. Accordingly, the minimum 25% public float requirement has been maintained in compliance with Rule 8.08 of the Listing Rules.

GENERAL PUBLICATION OF RESULTS

The Company will not continue the quarterly reporting of financial results after the listing of the Shares on the Main Board.

Upon the Transfer of Listing, the Company will follow the relevant requirements of the Main Board Listing Rules which include publishing its interim results and annual results within two months and three months from the end of the relevant periods or financial year end, respectively. The Board is of the view that the investors and Shareholders will continue to have access to relevant information on the Company following the reporting requirements under the Main Board Listing Rules.

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

Pursuant to Rule 9A.12 of the Main Board Listing Rules, the general mandates to the Directors to allot and issue new Shares and repurchase Shares (granted to the Directors by the Shareholders at the annual general meeting of the Company held on 6 June 2014) will continue to be valid and remain in effect until the earliest of:

(a) the conclusion of the next annual general meeting of the Company;

(b) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, or any applicable law to be held; and

(c) the revocation or variation of such authority by an ordinary resolution of Shareholders in general meeting.

COMPETING INTERESTS

As at the date of this announcement, so far as the Directors were aware, none of the Directors or substantial Shareholders or any of their respective associates had an interest in a business which competes or may compete with the business of the Group or had any conflict of interest which any such person has or may have with the Group.

FINANCIAL INDEPENDENCE

The Group has an independent financial system and makes financial decisions according to its own business needs. The guarantee and/or security provided by the Controlling Shareholders and their respective associates for the relevant outstanding loans as at 31 March 2014 were released as the relevant loan agreements were settled as at the date of this announcement. According to the PRC legal advisers to the Company, Commerce & Finance Law Offices, the guarantee and/or security contract is a subordinate contract of the main loan agreement. If the Group settles all the outstanding loans as at 31 March 2014 in accordance with the main loan agreement, the guarantee and/or security provided by the Controlling Shareholders and their respective associates in relation to the main loan agreement shall be released as a result of the settlement. Moreover, all the amounts payable to related parties as at 31 March 2014 have been settled as at the date of this announcement. As such, the Directors believe that the Company is capable of obtaining financing from third parties without reliance on the Controlling Shareholders.

USE OF PROCEEDS

The net proceeds from the Placing were approximately HK$108.7 million (equivalent to approximately RMB88.7 million). The use of the net proceeds from the Listing Date to 31 March 2014 had been disclosed in the first quarterly report of the Company dated 14 May 2014.

The Group intends to apply the unutilized net proceeds in the sum of approximately HK$55.1 million as follows:

	For the three months ended 30 June 2014 HK$ (million)	For the six months ending 31 December 2014 HK$ (million)	For the six months ending 30 June 2015 HK$ (million)	For the six months ending 31 December 2015 HK$ (million)	Total HK$ (million)
1. Further strengthening the deployment services of optical fibers in the PRC					
- Investment in equipment	1.6	9.1	10.0	—	20.7
- Market expansion	—	9.1	—	—	9.1
- Securing strategic assets/rights	—	13.4	10.0	—	23.4
- Acquisition (Note)	—	—	—	—	—
- Human resources (Note)	—	—	—	—	—
- Research and development	—	0.6	—	—	0.6
Sub-total	1.6	32.2	20.0	—	53.8
2. Expanding the business of low-voltage equipment integration services in the PRC					
- Sales and marketing	—	1.3	—	—	1.3
3. Repayment of bank and other borrowings (Note)	—	—	—	—	—
4. General working capital (Note)	—	—	—	—	—
Total unutilized net proceeds	1.6	33.5	20.0	—	55.1

Note: The related use of proceeds were fully utilized as at 31 March 2014.

The table below shows the planned use of proceeds from the Listing Date to the period ended 30 June 2014 as shown the Prospectus and the actual use of proceeds from the Listing Date to 31 March 2014:

	Planned use of proceeds from the Listing Date to period ended 30 June 2014 as shown in the Prospectus	**Actual use of proceeds from the Listing Date to 31 March 2014**	**Deviation**
	HK$ (million)	*HK$ (million)*	*HK$ (million)*
1. Further strengthening our deployment services of optical fibers in the PRC			
(i) Investment in equipment	26.18	5.48	20.70
(ii) Market expansion	15.50	6.42	9.08
(iii) Securing strategic assets/rights	23.42	—	23.42
(iv) Acquisition	12.20	12.20	—
(v) Human resources	2.60	2.60	—
(vi) Research and development	3.10	3.10	—
Sub-total	83.00	29.80	53.20
2. Expanding our business of low-voltage equipment integration services in the PRC			
(i) Sales and marketing	2.40	1.08	1.32
3. Repayment of bank and other borrowings	14.30	14.30	—
4. General working capital (Note)	8.40	8.40	—
Total	108.10	53.58	54.52

Note: The amount of general working capital had been reduced from HK$11.1 million to HK$8.4 million to reflect the difference of the estimated amount of net proceeds shown in the Prospectus amounted to HK$111.4 million and the final net proceeds of HK$108.7 million.

There is a deviation of the planned use and actual use of the net proceeds of the Group and the reasons for the deviation are mainly because (i) the Group's existing equipment can fulfill its requirements; (ii) the acquisition of two new subsidiaries in around May 2013 helps the Group's market expansion and promotion of its optical fiber deployment services in the PRC and therefore the Group does not have instant need to establish more representative offices; and (iii) it takes longer time than expected to communicate with different government departments of the PRC and build experimental sections demonstrating to the government officials that the Group's optical fiber deployment services would not affect the normal function of the sewer system before the Group can secure the right to use the sewer system in various PRC cities. The Group is still negotiating with various government departments and will utilize the net proceeds for paying the right to use the sewer system after the Group enters into an agreement with the relevant government department.

TRADE AND BILLS RECEIVABLES ANALYSIS

As at 31 December 2011, 2012 and 2013 and 31 March 2014, the trade and bills receivables amounted to approximately RMB66.3 million, RMB105.4 million, RMB169.5 million and RMB176.4 million. The following table sets out the ageing analysis of the trade and bills receivables as at 31 December 2011, 2012 and 2013 and 31 March 2014:

	31 December 2011		**31 December 2012**		**31 December 2013**		**31 March 2014**	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Within 90 days	58,699	88.5	77,718	73.7	106,547	62.8	60,590	34.3
91 to 180 days	2,051	3.1	784	0.7	6,584	3.9	50,054	28.4
181 to 365 days	3,138	4.7	2,913	2.8	17,959	10.6	13,797	7.8
1 to 2 years	2,186	3.3	4,292	4.1	19,697	11.6	30,517	17.3
2 to 3 years	242	0.4	93	0.1	1,859	1.1	4,543	2.6
Total trade and bills receivables	66,316	100.0	85,800	81.4	152,646	90.0	159,501	90.4
Trade receivable repayable by installments	—	—	19,611	18.6	16,883	10.0	16,883	9.6
Total trade receivables	66,316	100.0	105,411	100.0	169,529	100.0	176,384	100.0

In determining the recoverability of trade receivables, the Group will take into consideration whether there is any change in the credit quality of the trade receivables at the end of each reporting period. In addition, the Group reviews the recoverable amount of each individual trade receivables at the end of reporting period and assesses portfolio of receivables on a collective basis to ensure that adequate impairment losses are made for irrecoverable amounts.

The Company confirmed that the amounts of trade receivables were recorded when it had (i) billed the clients upon the receipt of final inspection certificates and/or upon the completion of the projects; or (ii) not billed the clients but the final inspection certificates have been received from the clients in respect of optical fibers deployment projects and low-voltage equipment integration projects; or (iii) not billed the clients but the services have been provided or the goods have been delivered with titles thereof have been passed to the clients. The Company confirmed that the amount of trade receivables was principally agreed with the clients.

Subject to the size and complexity of each project, the average construction period of the deployment of optical fibers projects was generally approximately seven to nine months and the average installation period of the low-voltage equipment integration projects was generally approximately one to six months during the Track Record Period.

Analysis of the trade and bills receivables with ageing less than 180 days

The trade and bills receivables with ageing less than 180 days (the "**short-aged receivables**") referred to 28, 24, 20 and 24 clients as at 31 December 2011, 2012 and 2013 and 31 March 2014 respectively. The following table sets out the breakdown of the short-aged receivables by types of client as at 31 December 2011, 2012 and 2013 and 31 March 2014:

	31 December 2011		**31 December 2012**		**31 December 2013**		**31 March 2014**	
	RMB'000	%	*RMB'000*	%	*RMB'000*	%	*RMB'000*	%
Major telecommunication operators in the PRC	41,130	67.7	38,466	49.0	28,376	25.1	26,426	23.9
State owned enterprises and governments	10,434	17.2	6,470	8.2	2,634	2.3	3,565	3.2
Listed companies	1,728	2.8	24,653	31.4	1,727	1.5	269	0.2
Others *(Note)*	7,458	12.3	8,913	11.4	80,394	71.1	80,384	72.7
Total short-aged receivables	60,750	100.0	78,502	100.0	113,131	100.0	110,644	100.0

Note: Others include other local PRC telecommunication construction companies, telecommunication equipment companies and telecommunication integration system companies.

Although the clients of the Group have been categorized as mentioned in the table above, different clients within such category would have different settlement practices and internal procedures required for settlement of the Group's outstanding trade receivables.

Under the basis of impairment assessment adopted by the Group, at the date of approval of the unaudited reports for the three months ended 31 March 2014, the Group had made the assessment on the recoverability of the short-aged receivables as follows:

(a) The receivables from major telecommunication operators in the PRC require further completion of internal process of the major telecommunication operators in the PRC before they inform the Group to issue invoice for processing payments. This internal process will normally take a certain period of time at different period of a year but is expected to be completed within one year after the issue of the completion certificate of the project work before the issuance of invoices. The Group will issue invoices to the major telecommunication operators in the PRC after the internal process has been carried out by such customers. It normally takes within six months for the Group to issue invoices and receive payments from them. The Directors believe that it is not uncommon to have relatively longer settlement time when conducting business with major telecommunication operators in the PRC. In view of the fact that these short-aged receivables as at 31 March 2014 amounting to RMB26,426,000 were still within the period for the internal process, the Group considered no further impairment on these short-aged receivables was required.

(b) The receivables from state-owned enterprises and governments as at 31 March 2014 amounting to RMB3,565,000 which represent the amounts due from state-owned enterprises and governments for the low-voltage equipment integration services. These receivables are still within the period for their internal process and the Group considered no further impairment on these short-aged receivable were required.

    It normally takes around six months to one year for the state-owned enterprises and governments in the PRC to complete their internal process and another one to six months for the Group to issue invoices and receive payments from them.

(c) The receivables from listed companies as at 31 March 2014 amounting to RMB269,000 represent the amounts due from a listed company in Hong Kong and amount of receivables is insignificant for the Group's assessment of impairment.

It normally takes around three months to one year for the listed companies to complete their internal process and another one to six months for the Group to issue invoices and receive payments from them.

(d) The receivables from others as at 31 March 2014 amounting to RMB80,384,000 represent the amounts due from other local PRC telecommunication construction companies, telecommunication equipment companies and telecommunication integration system companies for both optical fiber deployment services and low-voltage equipment integration services. The Group assessed the recoverability of these receivables as follows:

   i. Included in these receivables is an amount of RMB53,884,000 which comprised balances from various projects of PRC telecommunication construction companies of which approximately RMB7,114,000 was subsequently settled as at 10 July 2014. Before entering into the contract with these clients, the Group has performed assessment to evaluate their financial position whether these clients are financially viable to pay the contract sum. In addition, the Group realized that these clients are construction contractors of a major telecommunication operator in the PRC. In view of the fact that these clients are still in the process of finalizing its internal process for the payment of these short-aged receivables, the Group considered no further impairment on these short-aged receivables was required.

   ii. Included in these receivables is an amount of RMB26,500,000 arising from low-voltage equipment integration services of which approximately RMB8,914,000 was subsequently settled as at 10 July 2014. Before entering into the contract with these clients, the Group has performed assessment to evaluate their financial position whether these clients are financially viable to pay the contract sum. In view of the fact that these clients are still in the process of finalizing its internal process for the payment of these short-aged receivables, the Group considered no further impairment on these short-aged receivable were required.

   It normally takes around one year for the other local PRC telecommunication construction companies, telecommunication equipment companies and telecommunication integration system companies to complete their internal process and another six to nine months for the Group to issue invoices and receive payments from them.

Analysis of the trade and bills receivables with ageing more than 180 days

The trade and bills receivables with ageing more than 180 days (the "**long-aged receivables**") referred to 18, 21, 17 and 22 clients as at 31 December 2011, 2012 and 2013 and 31 March 2014 respectively. The following table sets out the breakdown of the long-aged receivables by types of client as at 31 December 2011, 2012 and 2013 and 31 March 2014:

	31 December 2011		31 December 2012		31 December 2013		31 March 2014	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Major telecommunication operators in the PRC	3,612	64.9	2,854	39.1	16,208	41.0	21,890	44.8
State owned enterprises and governments	850	15.3	2,748	37.7	4,839	12.2	3,610	7.4
Listed companies	11	0.2	155	2.1	13,700	34.7	13,746	28.1
Others *(Note)*	1,093	19.6	1,541	21.1	4,768	12.1	9,611	19.7
Total long-aged receivables	5,566	100.0	7,298	100.0	39,515	100.0	48,857	100.0

Note: Others include other local PRC telecommunication construction companies, telecommunication equipment companies and telecommunication integration system companies.

Under the basis of impairment assessment adopted by the Group, at the date of approval of the unaudited reports for the three months ended 31 March 2014, the Group had made the assessment on the recoverability of the long-aged receivables as follows:

(a) The receivables from major telecommunication operators in the PRC require further completion of internal process of the major telecommunication operators in the PRC before they inform the Group to issue invoice for processing payments. This internal process will normally take a certain period of time at different period of a year but is expected to be completed within one year after the issue of the completion certificate of the project work before issuance of invoices. The Group will issue invoices to the major telecommunication operators in the PRC after the internal process has been carried out by such customers. It normally takes within six months for the Group to issue invoices and receive payments from them. The Directors believe that it is not uncommon to have relatively longer settlement time when conducting business with major telecommunication operators in the PRC. In view of the fact that these long-aged receivables as at 31 March 2014 amounting to RMB21,890,000 were still within the period for the internal process and the major telecommunication operators in the PRC did not have any dispute in the quality of the work with the Group, the Group considered no further impairment on these long-aged receivables was required. Based on the follow-up communication and discussion with the customers, the Directors expect that most of the long-aged receivables from major telecommunication operators will be settled by the end of 2014.

(b) The receivables from state-owned enterprises and governments as at 31 March 2014 represent the amount due from a large state-owned enterprise for the low-voltage equipment integration services. The state-owned enterprise has already informed the Group for late payment due to its internal reason and the final settlement was agreed to be at the latest end of 2014. Accordingly, the Group considered no further impairment on this long-aged receivable was required.

(c) The receivables from listed companies as at 31 March 2014 amounting to RMB13,746,000 represent the amounts due from three listed companies, two of which are listed in the PRC and one of which is listed in Hong Kong, for the low-voltage equipment integration services. The Group assessed the recoverability of these receivables as follows:

i. Included in these receivables is an amount of RMB10,671,000 which is sub-contracting work of a project of a listed company in the PRC. The Group was responsible for a part of the whole project and this listed company has agreed to settle the outstanding receivables after the whole project is completed. Based on the Group's communication and discussion with this listed company, the whole project was completed in around December 2013 and it has agreed to settle the amount in the third quarter of 2014 after the completion of its internal process for the payment.

ii. Included in these receivables is an amount of RMB3,048,000 which is related to the variation of orders of a project of another listed company in the PRC. The listed company is still in the process of finalizing its internal process for the payment of the remaining variation of orders and has agreed to settle the outstanding receivables in the third quarter of 2014. The reasons for the variation of orders are due to the amendments to the scope of services or additional works required by the customers after the original contract was signed. All the costs of the additional works were borne by the customers.

iii. The remaining amount of RMB27,000 due from a Hong Kong listed company is insignificant for the Group's assessment of impairment.

As the listed companies have published financial information demonstrating their financial healthiness and they did not have any dispute in the quality of the work with the Group, the Group considered no further impairment on these long-aged receivables was required.

(d) The receivables from others as at 31 March 2014 amounting to RMB9,611,000 represent the amounts due from other local PRC telecommunication construction companies, telecommunication equipment companies and telecommunication integration system companies for both optical fiber deployment services and low-voltage equipment integration services. The Group assessed the recoverability of these receivables as follows:

i. Included in these receivables is an amount of RMB8,416,000 which was built up from various variation orders of projects of four PRC telecommunication construction companies. Before entering into the contracts with these clients, the Group has performed assessment to evaluate their financial position whether these clients are financially viable to pay the contract sum. In addition, the Group realized that these clients are construction contractors of a major telecommunication operator in the PRC. These clients are still in the process of finalizing its internal process for the payment of the variation of orders and have agreed to settle the amount not later than the fourth quarter of 2014. The reasons for the variation of orders are due to the amendments to the scope of services or additional works required by the customers after the original contract was signed. All the costs of the additional works were borne by the customers.

ii. The remaining balance of RMB1,195,000 is insignificant for the Group's assessment of impairment.

Based on the above assessment, the Directors considered the impairment of trade and bills receivables as at 31 March 2014 was sufficient at the date of approval of the unaudited reports for the three months ended 31 March 2014.

The Group has not experienced any material default in payment by the customers during the Track Record Period and to the date of this announcement.

Past Due Trade Receivables

Among the outstanding balances of the trade and bill receivables, except for (i) the retention money held by the clients; (ii) the non-current portion of the trade receivable repayable by installments; and (iii) bill receivables, other trade receivables were deemed as past due. There were generally no credit terms granted to customers of the deployment of optical fibers projects and low-voltage equipment integration projects during the Track Record Period. The Group had past due trade receivables with aggregate carrying amount of RMB153,527,000 as at 31 March 2014 and RMB148,824,000 as at 31 December 2013 which the Group has not provided for impairment. The Directors inquired the Group's major customers and considered that there were no significant changes in the internal process for the payment of the Group's major customers which resulted in the delay of payment of the outstanding trade receivables. Save for the specific reasons set out above relating to the outstanding trade receivables, the Directors are not aware of any other changes in the settlement practices of the Group's customers which resulted in the increase of the past due receivables from 31 December 2013 to 31 March 2014. In addition, there is no material dispute with clients about the amount of trade receivables as at 31 December 2011, 2012 and 2013 and 31 March 2014.

Subsequent settlement

As at 10 July 2014, the subsequent settlement of the trade and bills receivables as at 31 March 2014 amounted to approximately RMB42.6 million, which represented approximately 24.1% of the trade and bills receivables as at 31 March 2014. The Group had not experienced any difficulties in collecting the trade receivables from its clients and none of the clients had difficulties in repaying the outstanding trade receivables.

The Directors had carried out the assessment of impairment of trade and bills receivables as at 31 March 2014 on the basis set out above and concluded that no further impairment was required. The Directors has followed up with relevant customers and are not aware of any significant change in the credit quality of the Company's customers as at 31 December 2011, 2012 and 2013 and 31 March 2014.

Internal control measures on trade receivables collection

The Company has implemented a credit control system since the Listing Date to monitor the credibility of the customers which includes (a) monitoring the repayment record of the customers on a monthly basis; (b) performing annual reviews on the customers to assess their financial strength; and (c) interviewing with the customers to understand any adverse change on their business condition on a yearly basis; and (d) communicating with the customers to confirm their repayment schedule and issue payment reminder to the customers whose trade receivables were due (if necessary). Having considered the credit control measures implemented as set our above, the Directors are of the view that the credit control system implemented by the Group is adequate and effective.

Trade receivables repayable by installments over 10 years since 2012

The Group had trade receivables of approximately RMB16.9 million as at 31 March 2014 which was non-interest bearing and repayable by installments over a period of 10 years commencing from 2012. Such trade receivables was principally arisen from a video surveillance system construction contract of our low-voltage equipment integration service entered into between the Group and a government department in Hebei Province on 3 July 2012 ("**Contract**"). Pursuant to the Contract, the Group was responsible for installing an electronic police (電子警察) and intelligent toll gate (智能卡口) system at certain major road junctions (the "**Surveillance System**") in a county of Hebei Province. The relevant government department will pay an annual fee to the Group for using the Surveillance System for a term of 5 years. The Group shall also provide all the maintenance services (including the purchase of additional equipment and accessories, installment fees and other miscellaneous fees) relating to the operation of the Surveillance System. Further, the Group entered into another agreement with the relevant government department on 31 December 2012 for using the Surveillance System for another term of 5 years after the end of the Contract. The Group agreed to grant such payment terms to this client principally because the Group wished to develop a long term business relationship with the government of the PRC and risk of default payment is low.

BANK AND OTHER BORROWINGS

Funding needs and policy

The Group has continued to monitor its needs on working capital to finance the construction works and its operation and assess the impact of the finance cost on the Group's operation arising from the existing borrowings. Other than the requirement on working capital for the Group to carry out its daily operation, the Group normally finances the projects obtained with internally generated cash and bank and other borrowings. The Group may sometimes be successfully awarded contracts with large contractual amounts after the bidding process and therefore a substantial amount of working capital may be required in a short period of time for the commencement of the construction works. In this circumstance, in order to alleviate the Group's pressure on the working capital and with the intention not to affect the progress of the projects being constructed, the Group may make financing arrangements with non-bank entities in order to satisfy its short-term working capital needs. As such, the Group will make appropriate funding arrangement which the Directors consider that it is in the best interest of the Company and its shareholders as a whole, depending on the timing of the funding requirements of the projects and the prevailing financial resources available.

Loan from an individual

On 6 March 2012, the Group entered into a loan agreement with an individual (lender), an independent third party of the Group, in relation to the one-year interest-free and unsecured term loan of principal amount of RMB13.0 million. The Group entered into another two separate loan agreements with the same individual in March 2013 and 2014, respectively, with the same terms and conditions including the duration of the loan being one year. The loan was extended in substance because at the time of repayment of first loan in March 2013 and second loan in March 2014, the Company required short term working capital as a result of the award of certain contracts by the Group's customers after the bidding process and those contracts were signed or the construction works of those contracts were commenced around 3 months before entering into relevant loan agreements with such individual. Such loan has been repaid as at the date of this announcement.

Interest-free borrowings

The Group obtained interest-free borrowings with an outstanding amount of approximately RMB41.1 million and RMB21.8 million as at 31 December 2013 and 31 March 2014 respectively (which accounted for approximately 49.3% and 24.3% of the Group's total bank and other borrowings as at 31 December 2013 and 31 March 2014 respectively) from the non-bank lenders through the friendly relationship of the

Controlling Shareholders. These non-bank lenders are independent third parties of the Group which do not have past or present relationship (including without limitation, business, family, trust or employment relationship) with the Group and/or its Directors and shareholders. The Group has not provided any other forms of benefits to these non-bank lenders and the Controlling Shareholders did not provide any securities or guarantee for the advances made by these non-bank lenders. Among the outstanding balances of the other borrowings as at 31 March 2014, as advised by the PRC legal adviser of the Company, there was an outstanding borrowing of approximately RMB10.0 million from an enterprise in the PRC which was in breach of the Lending General Provisions (貸款通則) (the "LGP") in the PRC. However, the LGP only imposes fine or other penalties on the lender when the lender has interest income in the borrowings between enterprises without relevant qualification, and would not impose any fine or penalties upon the borrower. Therefore, the Group will not be fined or penalised under the LGP. These interest-free borrowings as at 31 March 2014 have been repaid as at the date of this announcement. The Directors confirm that the Group will seek the advices from the PRC legal advisers before entering into the loan agreements with other parties in order to ensure that such loan agreements are in compliance with relevant loans and regulations in the PRC.

BIOGRAPHICAL INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

The Company discloses below the biographical information of each Director and senior management:

Executive Directors

Mr. Jiang Changqing (姜長青) ("Mr. Jiang")

Mr. Jiang, aged 49, is our founder, chairman, and was appointed as a Director on 31 March 2011 and redesignated as an executive Director with effect from 27 May 2012. He joined Hebei Changtong as a director since its incorporation in June 2000 and joined Beijing U-Ton in July 2010 when he was firstly appointed as the manager, and has been appointed as the director of Beijing U-Ton since April 2011 and has been primarily responsible for overall corporate strategies, planning, management and business development of our Group. Mr. Jiang was a director of Hebei Deer between April 2005 and October 2010 and a director of Partnerfield since December 2010. Mr. Jiang has approximately 20 years' working experience in the telecommunications industry specialising in optical fiber deployment technology and has over five years' experience in in-sewer deployment methods such as in-sewer, pipe jacking and cable troughing which utilise miro-ducts, mini-cables and related techniques. Prior to the establishment of our Group, Mr. Jiang worked at Hengshui Technology Intelligence Office (衡水科技情報所) from March 1998 to June 2000 responsible for the management of the operations. Mr. Jiang worked in a department of People's Liberation Army of the PRC from October 1981 to June 1993 and was mainly responsible for coaching telecommunication equipment maintenance and construction. Mr. Jiang obtained a diploma in law through self-studying from the Hebei University (河北大學) in June 1996. To the knowledge of the Directors and save as disclosed above, Mr. Jiang did not hold any other directorships in listed companies in the three years prior to the date of this announcement.

Ms. Guo Aru (郭阿茹) ("Ms. Guo")

Ms. Guo, aged 48, is the spouse of Mr. Jiang. Ms. Guo was appointed as a Director on 31 March 2011 and redesignated as an executive Director with effect from 27 May 2012 and is primarily responsible for the research and development of new equipment and technology for our Group. Ms. Guo joined our Group as a manager in 2007. Ms. Guo was a director of Beijing U-Ton between July 2010 and April 2011 and a director of Partnerfield since December 2010. From July 1986 to September 2006, Ms. Guo worked as a mathematics teacher in No. 4 and No. 7 Middle School of Hengshui City in Hebei Province. Ms. Guo is certified as a senior communications engineer (通信高級工程師) by Gansu Province Title Reform Organisation (甘肅省職稱改革工作小組) in November 2008. Ms. Guo obtained a diploma in mathematics from the Hengshui University (衡水學院) in July 1986. To the knowledge of the Directors and save as disclosed above, Ms. Guo did not hold any other directorships in listed companies in the three years prior to the date of this announcement.

Mr. Li Qingli (李慶利) ("Mr. Li")

Mr. Li, aged 46, was appointed as a Director on 31 March 2011 and redesignated as an executive Director with effect from 27 May 2012 and is mainly responsible for the management of the low-voltage equipment integration services of our Group. Mr. Li has been a director of Shijiazhuang Qiushi and has been responsible for its daily operations and management since its incorporation in March 1999. Mr. Li has been a director of Hebei Deer since its incorporation in October 2003 and a director of Partnerfield since September 2005. Mr. Li worked at Shijiazhuang Changan Xunbo Telecommunication Equipment Operation Office (石家莊市長安迅波通信器材經營處) from March 1994 to March 1999. Mr. Li worked as an external welfare officer at Plant 4511 (4511廠) from September 1991 to March 1994. Mr. Li obtained a diploma in wireless construction from the Guilin University of Electronic Technology (桂林電子科技大學) (formerly known as Guilin Institute of Electronic Technology (桂林電子工業學院)) in June 1991. Mr. Li obtained a Qualification Certificate of Junior Professional Rank (初級專業技術職務任職) from The Title Reform Leading Group Office of Shijiazhuang (石家莊職稱改革領導小組辦公室) in December 1994 qualifying him as an assistant engineer specialising in electrons. To the knowledge of the Directors and save as disclosed above, Mr. Li did not hold any other directorships in listed companies in the three years prior to the date of this announcement.

Independent non-executive Directors

Mr. Meng Fanlin (孟繁林) ("Mr. Meng")

Mr. Meng, aged 69, was appointed as our independent non-executive Director on 27 May 2012. Prior to joining our Group, Mr. Meng worked for China Mobile Communications Corporation's Hebei branch Qinhuangdao office (河北移動通信秦皇島分公司) as a senior consultant from December 2003 to January 2005 and as a general manager from July 1999 to December 2003. Mr. Meng had also worked for China Telecom Group's Langfang city telecommunication office (中國電信廊坊市電信局) as the director from November 1998 to July 1999. Mr. Meng had worked for Post and Telecommunication Administration of Hebei Qinhuangdao (秦皇島市郵電局) as vice head and acting head from September 1983 to October 1998 and was primarily responsible for production management, and as the head of the telecommunication department from October 1980 to February 1983 and was a technician from July 1966 to September 1980. Mr. Meng obtained a bachelor's degree in local telecommunications (市內電話通信) from Jilin University (吉林大學) (formerly known as Changchun Post and Telecommunication Institute (長春郵電學院)) in July 1966. To the knowledge of the Directors and save as disclosed above, Mr. Meng did not hold any directorships in listed companies in the three years prior to the date of this announcement.

Mr. Wang Haiyu (王海玉) ("Mr. Wang")

Mr. Wang, aged 61, was appointed as our independent non-executive Director on 27 May 2012. Mr. Wang is a registered qualification certificate constructor (中華人民共和國一級建造師) by Ministry of Housing and Urban-Rural Development of the PRC (中華人民共和國住房和城鄉建設部) with profession in signal communication, a senior engineer (高級工程師) and telecommunication and national bid evaluation expert (通信建設評標專家) by the Ministry of Information Industry. Mr. Wang had worked for Fifth Construction Bureau of China International Telecommunication Construction Corporation ("CITCC") (中國通信建設集團有限公司第五工程局) which does not have any current or prior relationship with our Group, as the bureau's chief from November 2007 to March 2011. Mr. Wang had also worked as a general manager of the engineering department of CITCC from February 2006 to November 2007 and as the head of the engineering and marketing department of CITCC from September 2001 to February 2006. Mr. Wang had also worked for Second Construction Bureau of CITCC (中國通信建設集團有限公司第二工程局) as a senior engineer, department head and assistant of bureau chief from February 1978 to December 2000. Mr. Wang received his bachelor's degree in telecommunications from the Nanjing University of Posts and Telecommunications (南京郵電大學) in 1978. Mr. Wang is currently working for the Fifth Construction Bureau of CITCC as a senior consultant. As confirmed by Mr. Wang and the said company the position is an honorary role and Mr. Wang is not engaging in any daily business operation activities or decision making in CITCC. To the knowledge of the Directors and save as disclosed above, Mr. Wang did not hold any directorships in listed companies in the three years prior to the date of this announcement.

Ms. Li Xiaohui (李曉慧) ("Ms. Li")

Ms. Li, aged 46, was appointed as our independent non-executive Director on 27 May 2012. Ms. Li is a Certified Public Accountant in China and is a non-practising member of the Chinese Institute of Certified Public Accountants. Ms. Li has been a lecturer since 2004 and the vice dean since July 2006 of the department of accountancy of the Central University of Finance and Economics (中央財經大學). Ms. Li had worked for the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) from July 2001 to August 2003 with the responsibilities of researching and formulating independent auditing principles. From 1999 to 2004, Ms. Li wrote books and other publications in relation to auditing, accounting and risk management. Ms. Li had also worked for the Hebei Province Finance Department (河北省財政廳) from January 1997 to August 1998. Ms. Li had worked at Canshi Certified Public Accountants (滄獅會計師事務所) as a partner from August 1996 to January 1997 and Canzhou Certified Public Accountants (滄洲會計師事務所) as an external affairs manager from April 1993 to July 1996. Ms. Li is a member of the Technical Consultation Committee (技術指導委員會) of the Chinese Institute of Certified Public Accountants, the Professional Supervision Committee (監督專業委員會) of the Accounting Society of China (中國會計學會), the CERM (China) Committee of the Asia Association of Risk and Crisis Management ("AARCM") (亞洲風險與危機管理協會), a certified senior enterprise risk manager by AARCM, and the Practice Guidance Committee (執業指導委員會) of the Beijing Institute of Certified Public Accountants (北京註冊會計師協會). Ms. Li obtained her bachelor's degree in economics from Yangzhou University (揚州大學) (formerly known as Yangzhou Normal Institute (揚州師範學院)) in June 1989. Ms. Li obtained her master's degree in economics from Renmin University of China (中國人民大學) in January 1993. Ms. Li was awarded the degree of Doctor of Economy by the Central University of Finance and Economics (中央財經大學) in July 2001. As at the date of this announcement, Ms. Li is an independent non-executive director of Poly Culture Group Corporation Limited, a company listed on the Stock Exchange (stock code: 3636), an independent director of Beijing Orient National Communication Science Technology Co., Limited, a company listed on Shenzhen Stock Exchange (stock code: 300166), independent director of Jiangsu Welle Environmental Co., Limited, a company listed on Shenzhen Stock Exchange (stock code: 300190), independent director of Kailuan Energy Chemical Co., Limited, a company listed on Shanghai Stock Exchange (stock code: 600997) and independent director of Bank of Beijing Co., Ltd., a company listed on Shanghai Stock Exchange (stock code: 601169). Ms. Li also served as an independent non-executive director of China Titans Energy Technology Group Co., Limited from November 2009 to May 2013. To the knowledge of the Directors and save as disclosed above, Ms. Li did not hold any directorships in listed companies in the three years prior to the the date of this announcement.

Save as disclosed herein, to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, there was no other matter with respect to our Directors that needs to be brought to the attention of the Shareholders and there was no information relating to our Directors that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Main Board Listing Rules as at the date of this announcement.

Senior Management

Mr. Pang Chun Kit (彭俊傑) ("Mr. Pang")

Mr. Pang, aged 41, was appointed as our chief financial officer on 1 May 2011 and company secretary on 27 May 2012 and is primarily responsible for the financial management, merger & acquisition and company secretarial work of our Group. Mr. Pang is a member of Hong Kong Institute of Certified Public Accountants (formerly known as Hong Kong Society of Accountants) and Association of Chartered Certified Accountants. Mr. Pang had worked for China Grand Forestry Green Resources Group Limited (currently know as Sandi Holdings Limited), a company listed on the Stock Exchange (stock code: 0910), as its chief financial officer from February 2007 to December 2010, company secretary from September 2010 to December 2010, and executive director from January 2009 to August 2011. Mr. Pang had also worked for Lingbao Gold Company Ltd, a company listed on the Stock Exchange (stock code: 3330) as a chief financial officer, qualified accountant and joint company secretary from June 2005 to March 2007. Mr. Pang had also worked for Deloitte Touche Tohmatsu and Lawrence T. Lau and Company as an auditor from September 1997 to June 2005. Mr. Pang was a former audit manager of Deloitte Touche Tohmatsu. Mr. Pang received his bachelor's degree in accountancy from the Hong Kong Polytechnic University in November 1997.

Mr. Wang Yongtian (王永田) ("Mr. Wang")

Mr. Wang, aged 34, was appointed as general manager of our Group on 10 October 2012 and is primary responsible for merger and acquisition as well as investor relationship management. Mr. Wang was an assistant vice president of investment banking department of ICBC International Capital Limited between July 2009 and October 2012. Mr. Wang had also worked for ICEA Capital Limited between July 2008 and July 2009. Mr. Wang had also worked for asset management department of AIG between November 2007 and June 2008. Mr. Wang received his Ph.D Financial Mathematics from Swansea University in 2008, MSc Mathematics and Computing for Finance from University of Swansea in 2005 and BSc Information and Computing Science from Hebei University in 2003.

Mr. Dong Baoyi (董寶義) ("Mr. Dong")

Mr. Dong, aged 66, was appointed as our technical director in November 2006 and was promoted as our chief technical officer in March 2011 and is mainly responsible for technology development and management of our Group. Mr. Dong worked for China Netcom's Tangshan branch as an assistant manager from March 2005 to November 2006 and was primarily responsible for management assistance. Mr. Dong had worked for the Post and Telecommunication Administration of Tangshang city (唐山市郵電局) as a vice department head of long-distance machinery department (長遠機械科), vice manager and manager of telecommunication department from April 1981 to March 2005 and was primarily responsible for telecommunication equipment management and monitoring of its maintenance and repair. Mr. Dong worked for the local telecommunication bureau in Xingyi City, Guizhou Province, as a technician from December 1968 to March 1981 and was primarily responsible for telecommunication equipment maintenance and repair. Mr. Dong obtained a diploma in telecommunication enterprise and power source facilities (電信企業動力和電源設備) from Shijiazhuang Post and Telecommunication School (石家莊郵電學校) in July 1968 and obtained a diploma in economic management (經濟管理) through distance learning from the Hebei Provincial Committee Party School of Correspondence Education (河北省委黨校函授學院) in July 2005.

Save as disclosed above, the senior management of the Group did not hold any directorships in listed companies in the three years prior to the date of this announcement.

WAIVER FROM STRICT COMPLIANCE WITH THE MAIN BOARD LISTING RULES

Rule 8.12 of the Main Board Listing Rules provides that an issuer applying for a primary listing on the Stock Exchange must have a sufficient management presence in Hong Kong, which normally means that at least two of its executive Directors must be ordinary resident in Hong Kong.

Given that the business and operation of the Group are primarily located, managed and conducted in the PRC, the Group does not have any material operation in Hong Kong and that none of the executive Directors are ordinarily resident in Hong Kong, the Company does not and will not, in the foreseeable future, have a management presence in Hong Kong. Accordingly, the Company has applied to the Stock Exchange for a waiver from strict compliance with the requirements under Rule 8.12 of the Main Board Listing Rules. The Stock Exchange has granted the requested waiver to the Company from strict compliance with the requirements under Rule 8.12 of the Main Board Listing Rules on condition that the Company would adopt the following arrangements to maintain regular communication with the Stock Exchange:

(a) the Company has two authorised representatives pursuant to Rule 3.05 of the Main Board Listing Rules, who will act as the Company's principal channel of communication with the Stock Exchange. The two authorised representatives appointed are Mr. Jiang Changqing, an executive Director and Mr. Pang Chun Kit, the company secretary of the Company. Each of the authorized representatives will be available to meet with the Stock Exchange in Hong Kong upon reasonable short notice and will be readily contactable by telephone, facsimile or email. Each of the two authorised representatives is authorised to communicate on behalf of the Company with the Stock Exchange;

(b) all the authorised representatives have the means to promptly contact all members of the Board (including the independent non-executive Directors) and of the senior management team at all times as and when the Stock Exchange wishes to contact them or any of them for any matter. To enhance the communication between the Stock Exchange, the authorised representatives and the Directors, the following policies will be implemented by the Company: (i) each Director shall provide his/her mobile phone number, office phone number, fax number and email address to the authorised representatives; (ii) in the event that a Director expects to travel and be out of office, he/she shall provide the phone number of the place of his/her accommodation to the authorised representatives; and (iii) all the Directors and authorised representatives will provide their respective mobile phone number, office phone number, fax number and email address to the Stock Exchange;

(c) if the circumstances require, meetings of the Board can be convened and held in such manner as permitted under the articles of association of the Company at short notice to discuss and address any issue with which the Stock Exchange is concerned in a timely manner;

(d) meetings between the Stock Exchange and the Directors can be arranged through the authorized representatives or directly with the Directors within a reasonable time frame. The Company will inform the Stock Exchange promptly of any change in the authorised representatives; and

(e) all the Directors have confirmed that they possess or can apply for valid travel documents to visit Hong Kong and would be able to come to Hong Kong and meet with the Stock Exchange upon reasonable notice.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be made available for viewing on the respective websites of the Company at http://www.chinauton.com and of the Stock Exchange at http://www.hkexnews.hk:

(a) the published directors' report and annual report of the Company for the year ended 31 December 2013;

(b) the quarterly report of the Company for the period ended 31 March 2014;

(c) the interim report of the Company for the period ended 30 June 2013;

(d) the amended and restated memorandum and articles of association of the Company;

(e) the circular of the Company dated 28 April 2014 in relation to, among other things, the proposed general mandates to issue new shares and repurchase shares, proposed re-election of directors and amendments to the articles of association and adoption of new memorandum and articles of association;

(f) the circular of the Company dated 28 March 2013 in relation to, among other things, the proposed general mandate to issue new shares and repurchase shares, proposed re-election of director; and

(g) a copy of each of the announcements and other corporate communications made by the Company before the date of this announcement as required under the GEM Listing Rules and the Main Board Listing Rules.

DEFINITIONS

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

"associate(s)"	has the meaning ascribed to it under the Main Board Listing Rules
"Beijing U-Ton"	Beijing U-Ton Teda Electrical New Technology Development Co., Ltd. (北京優通泰達電氣新技術發展有限公司) (formerly known as Beijing U-Ton Taida Network Science and Technology Co., Ltd. (北京優通泰達管網集成科技有限公司)), a limited liability company established on 22 January 2007 in accordance with the laws of the PRC and a wholly-owned subsidiary of Hebei Deer
"Board"	the board of Directors
"Bright Warm"	Bright Warm Limited, a limited liability company incorporated on 4 January 2011 in accordance with the laws of the British Virgin Islands and wholly owned by Mr. Jiang Changqing.
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Company"	China U-Ton Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Main Board Listing Rules and in the context of this announcement, means Mr. Jiang Changqing (the Chairman and an executive Director) and Bright Warm
"Director(s)"	the director(s) of the Company
"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

"Hebei Changtong"	Hebei Changtong Communication Engineering Co., Ltd. (河北昌通通信工程有限公司) (formerly known as Hengshui Hengshun Telecommunication Co., Ltd. (衡水恒順通信有限公司) and Hengshui Changtong Telecommunication Engineering Co., Ltd. (衡水昌通通信工程有限公司)), a limited liability company established on 20 June 2000 in accordance with the laws of the PRC and a wholly-owned subsidiary of Hebei Deer
"Hebei Deer"	Hebei Deer City Network Techology Co., Ltd. (河北德爾城市網絡科技有限公司), a limited liability company established on 20 October 2003, converted into a sino-foreign equity joint venture enterprise on 31 October 2005, and converted into a wholly foreign-owned enterprise on 25 May 2011 in accordance with the laws of the PRC. Hebei Deer is a wholly-owned subsidiary of Partnerfield
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"HKSCC"	Hong Kong Securities Clearing Company Limited
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China
"Listing Date"	12 June 2012, on which dealings in Shares first commence on GEM
"Main Board"	the stock market operated by the Stock Exchange prior to the establishment of GEM (excluding the options market) which stock market continues to be operated by the Stock Exchange in parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM
"Main Board Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Partnerfield"	Partnerfield Investments Limited, a limited liability company incorporated on 7 July 2005 in accordance with the laws of the BVI and a wholly-owned subsidiary of our Company

"Placing"	the placing of the Shares as further described in the prospectus of the Company dated 6 June 2012
"PRC"	the People's Republic of China, and for the purpose of this announcement only, excluding Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) of HK$0.10 in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Share Option Scheme"	the share option scheme adopted pursuant to the ordinary resolution passed by a written resolution of all the Shareholders on 27 May 2012
"Shijiazhuang Qiushi"	Shijiazhuang Qiushi Communication Facilities Co., Ltd. (石家莊求實通信設備有限公司), a limited liability company established on 25 March 1999 in accordance with the laws of the PRC and a wholly-owned subsidiary of Hebei Deer
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Track Record Period"	the two years ended 31 December 2012 and 2013
"Transfer of Listing"	the transfer of listing of the Shares from GEM to the Main Board
"%"	per cent.

By order of the Board of
China U-Ton Holdings Limited
Jiang Changqing
Chairman

Hong Kong, 24 July 2014

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Main Board 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.

As at the date of this announcement, the executive directors of the Company are Mr. Jiang Changqing, Ms. Guo Aru and Mr. Li Qingli; the independent non-executive directors of the Company are Mr. Meng Fanlin, Mr. Wang Haiyu and Ms. Li Xiaohui.

This announcement will remain on the GEM website at http://www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of posting, on the "Listed Company Information" page of the Stock Exchange website at http://www.hkexnews.hk and on the website of the Company at http://www.chinauton.com.

* *For identification purpose only*