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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: 6168)

VOLUNTARY ANNOUNCEMENT COOPERATION AGREEMENT WITH A COMPANY OWNED BY A LOCAL PRC GOVERNMENT AUTHORITY IN RELATION TO THE EXCLUSIVE RIGHTS IN USING THE RELEVANT PUBLIC SEWER SYSTEMS FOR THE DEPLOYMENT OF OPTICAL FIBERS

The Board is pleased to announce that on 28 August 2014, 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) (“Beijing U-Ton”) (an indirect wholly-owned subsidiary of the Company) and 鄭州市市政維護工程有限公司 (Zhengzhou Municipal Maintenance Construction Co. Ltd) (“ZMMC”) entered into the Cooperation Agreement in relation to the mutual understanding between the parties on their cooperation pursuant to which, Beijing U-Ton has exclusive rights in using the relevant public sewer systems for the deployment of optical fibers in city region of Zhengzhou, Henan Province for the period of 20 years from 1 September 2014.

THE PRINCIPAL TERMS OF THE COOPERATION AGREEMENT

Date: 28 August 2014

Parties: (1) ZMMC
(2) Beijing U-Ton

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, ZMMC and the shareholders and directors of ZMMC are Independent Third Parties.

The cooperation

Beijing U-Ton has exclusive rights in using the relevant public sewer systems for the deployment of optical fibers in city region of Zhengzhou, Henan Province for the period of 20 years from 1 September 2014.

Certain major rights and obligations of ZMMC

1. For deployment of optical fibers in the city region of Zhengzhou, Henan Province by using public sewer system, ZMMC regards Beijing U-Ton as an exclusive partner.
2. ZMMC shall be responsible for coordinating with other government authorities and ensure the successful implementation of Beijing U-Ton's project(s) in Zhengzhou of Henan Province.

Certain major rights and obligations of Beijing U-Ton

Beijing U-Ton shall be responsible for the overall construction project of deployment of optical fibers by using sewer system in Zhengzhou of Henan Province.

BACKGROUND OF ZMMC

ZMMC is owned by 鄭州市市政工程管理局 (Zhengzhou Municipal Construction Administration Office), and mainly engages in the management and maintenance of municipal facilities within urban area, such as municipal drainage networks, primary and secondary roadways, bridges and sewer pumping stations; undertaking the municipal major and medium repairs, reconstruction, extension and newly-built projects. Zhengzhou Municipal Construction Administration Office is a local governmental authority established in 1951 which is affiliated to 鄭州市城市管理局 (Zhengzhou City Administration Bureau), and principally engages in the management, maintenance and repairs of primary and secondary roadways, bridges, municipal drainage and flood control facilities within the established area of Zhengzhou of Henan Province.

REASONS FOR ENTERING INTO THE COOPERATION AGREEMENT

The principal activities of the Group include deployment of optical fibers and low-voltage equipment integration services in the PRC and one of the business strategies is to explore telecommunication business opportunities through cooperation and acquisition. The Group treats rights to use of public sewer system is one of the strategic assets for the Group's business development. The Company believes that the cooperation between Beijing U-Ton and ZMMC will enhance the Group's competitiveness in deployment of optical fibers and geographical business development in Henan Province.

GENERAL INFORMATION

All the terms and conditions of the Cooperation Agreement are negotiations between the parties at arm's length. The Directors believe that the terms of the Cooperation Agreement are fair and reasonable and in the interests of the Shareholders of the Company as a whole.

This announcement is made by the Company on a voluntary basis.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

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

“Board”	the Board of Directors of the Company
“Company” or “China U-Ton”	China U-Ton Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Stock Exchange
“Cooperation Agreement”	the cooperation agreement dated 28 August 2014 entered into between Beijing U-Ton and ZMMC in relation to the cooperation between the parties
“Directors”	the directors of the Company, including the independent non-executive directors
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	a person(s) or company(ies) which is/are independent of and not connected with any director, chief executive or substantial shareholder of our Company or its subsidiaries or any of their respective associates within the meaning of the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Shareholders”	the holders of issued shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 2 September 2014

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.