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CHINA U-TON HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6168)

DISCLOSEABLE TRANSACTION ACQUISITION OF LISTED SHARES

THE ACQUISITION

On 27 April 2017 (after trading hours), the Company, Vendor A and Covenantor A entered into SPA A, pursuant to which the Company has conditionally agreed to purchase and the Vendor A has conditionally agreed to sell the Sale Shares A (being 100,000,000 ordinary shares of the Target Company, namely Nine Express Limited, the issued shares of which are listed on the Stock Exchange (Stock Code: 0009)) at the consideration of USD 3,146,586.

On 27 April 2017 (after trading hours), the Company, Vendor B and Covenantor B entered into the SPA B, pursuant to which the Company has conditionally agreed to purchase and the Vendor B has conditionally agreed to sell the Sale Shares B (being 232,284,073 ordinary shares of the Target Company) at the consideration of USD 7,308,599.

Immediately before the Acquisition, the Company did not hold any shares of the Target Company. Immediately upon completion of the Acquisition, the Group will hold 332,284,073 shares of the Target Company, representing approximately 13.447% of the total issued share capital of the Target Company.

IMPLICATIONS UNDER THE LISTING RULES

As certain of the relevant percentage ratio (as defined under the Listing Rules) in respect of the Acquisition exceeds 5% but all applicable percentage ratios are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is accordingly subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

As completion of the Acquisition is subject to the fulfilment (or where applicable, waiver) of the conditions under the SPAs, the Acquisition may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

THE ACQUISITION

On 27 April 2017 (after trading hours), the Company, Vendor A and Covenantor A entered into the SPA A, pursuant to which the Company has conditionally agreed to purchase and the Vendor A has conditionally agreed to sell the Sale Shares A at the consideration of USD 3,146,586.

On 27 April 2017 (after trading hours), the Company, Vendor B and Covenantor B entered into the SPA B, pursuant to which the Company has conditionally agreed to purchase and the Vendor B has conditionally agreed to sell the Sale Shares B at the consideration of USD 7,308,599.

Principal terms of the SPAs are set out below:

Date: On 27 April 2017 (after trading hours)

Parties: **SPA A:**
Vendor: Vendor A
Purchaser: the Company
Offer Party: Covenantor A

SPA B:
Vendor: Vendor B
Purchaser: the Company
Offer Party: Covenantor B

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of Vendor A, Vendor B, Covenantor A and Covenantor B and their respective ultimate beneficial owner(s) are third parties independent of and not connected with the Company and its connected persons.

**Assets to
be acquired:**

SPA A:

Sale Shares A, being 100,000,000 shares of the Target Company, representing approximately 4.047% of the issued share capital of the Target Company as at the date of the SPA A, free from all encumbrances or third party rights of whatsoever nature and with all rights now or hereafter becoming attached thereto (including the right to receive all dividends and distributions declared, made or paid on or after the Completion Date A).

SPA B:

Sale Shares B, being 232,284,073 shares of the Target Company, representing approximately 9.4% of the issued share capital of the Target Company as at the date of the SPA B, free from all encumbrances or third party rights of whatsoever nature and with all rights now or hereafter becoming attached thereto (including the right to receive all dividends and distributions declared, made or paid on or after the Completion Date B).

Immediately before the Acquisition, the Company did not hold any shares of the Target Company. Immediately upon completion of the Acquisition, the Group will hold 332,284,073 shares of the Target Company, representing approximately 13.447% of the total issued share capital of the Target Company.

Consideration:

SPA A: USD 3,146,586

SPA B: USD 7,308,599

Each of the consideration under SPA A and SPA B was determined after arm's length negotiations between the Company and each of Vendor A and Vendor B on normal commercial terms having regard to the average closing price of HK\$0.323 per share of the Target Company as quoted on the Stock Exchange in the five consecutive trading days immediately preceding the date of the SPA A and SPA B. The consideration under SPA A and SPA B shall be settled by cash and funded with the internal resources of the Group.

**Conditions
Precedent:**

Completion A is subject to the satisfaction or waiver of the following conditions precedent on or before the Long Stop Date:

- (a) the completion by the Company of all relevant procedures required by the relevant governmental authority in respect of the purchase of the Sale Shares A by the Company and in connection with the other transactions contemplated under SPA A;
- (b) the release of Sale Shares A under Share Charge A, with which Sale Shares A shall be free from encumbrances with effect on or before Completion A, and the charged documents shall be delivered to the Company;
- (c) the warranties under SPA A remaining true, accurate and not misleading in all material respects at Completion A, as if repeated at Completion A and at all times between the date of SPA A and Completion A, and no material adverse effect having occurred between the date of SPA A and Completion A; and
- (d) no order or judgment (whether temporary, preliminary or permanent) of any relevant governmental authority having been issued or made prior to Completion A, which has the effect of making unlawful or otherwise prohibiting or restricting or limiting the transfer of the Sale Shares A to the Company (or its associates), or any transaction contemplated by SPA A.

For avoidance of doubt, the Company may at its absolute discretion at any time waive in writing the conditions (b) to (d) either in whole or in part. Other conditions cannot be waived.

Completion B is subject to the satisfaction of the following conditions precedent on or before the Long Stop Date:

- (a) the completion by the Company of all relevant procedures required by the relevant governmental authority in respect of the purchase of the Sale Shares B by the Company and in connection with the other transactions contemplated under SPA B;
- (b) the release of Sale Shares B under Share Charge B, with which Sale Shares B shall be free from encumbrances with effect on or before Completion B, and the charged documents shall be delivered to the Company;
- (c) the warranties under SPA B remaining true, accurate and not misleading in all material respects at Completion B, as if repeated at Completion B and at all times between the date of SPA B and Completion B, and no material adverse effect having occurred between the date of SPA B and Completion B; and
- (d) no order or judgment (whether temporary, preliminary or permanent) of any relevant governmental authority having been issued or made prior to Completion B, which has the effect of making unlawful or otherwise prohibiting or restricting or limiting the transfer of the Sale Shares B to the Company (or its associates), or any transaction contemplated by SPA B.

For avoidance of doubt, the Company may at its absolute discretion at any time waive in writing the conditions (b) to (d) either in whole or in part. Other conditions cannot be waived.

Completion: **SPA A:**
Subject to fulfillment or waiver of all the conditions under SPA A, Completion A shall take place on Completion Date A.

SPA B:
Subject to fulfillment or waiver of all the conditions under SPA B, Completion B shall take place on Completion Date B.

INFORMATION ON PARTIES TO SPA A AND SPA B

The Group

The Group is principally engaged in the provision of deployment services of optical fibers in the PRC.

Vendor A

Vendor A is a company incorporated in the British Virgin Islands with limited liability, and is principally engaged in investment holdings. It is wholly owned by Covenantor A. As at the date of this announcement, Vendor A directly holds 355,175,000 shares of the Target Company, representing approximately 14.373% of the total issued share capital of the Target Company.

Vendor B

Vendor B is a company incorporated in the British Virgin Islands with limited liability, and is principally engaged in investment holdings. It is wholly owned by Covenantor B. As at the date of this announcement, Vendor B directly holds 232,284,073 shares of the Target Company, representing approximately 9.4% of the total issued share capital of the Target Company.

Covenantor A

As at the date of this announcement, Covenantor A is the legal and beneficial owner of Vendor A. Covenantor A, as the covenantor, had agreed to give warranties, covenants and undertakings as set out in SPA A.

Covenantor B

As at the date of this announcement, Covenantor B is the legal and beneficial owner of Vendor B. Covenantor B, as the covenantor, had agreed to give warranties, covenants and undertakings as set out in SPA B.

INFORMATION ON THE TARGET GROUP

The Target Company is a company incorporated in Bermuda with limited liability, shares of which are listed and dealt in on the Main Board of the Stock Exchange (Stock Code: 0009). It is principally engaged in property and hotel development, rental of property, film distribution and licensing and film processing.

Certain published financial information on the Target Group is as follows:

	For the year ended 31 December 2015 (audited) (HK\$'000)	For the year ended 31 December 2016 (audited) (HK\$'000)
net loss (before taxation)	708,579	332,830
net loss (after taxation)	643,538	328,714
total asset	1,904,499	2,662,260
net asset	968,825	1,446,837

REASONS FOR AND BENEFITS OF THE ACQUISITION

All the Sale Shares acquired by the Group under the Acquisition are intended to be held by the Group for long-term investment purpose. The Directors expect to enhance, through this strategic investments, the extensive business cooperation between the two companies on the construction of smart cities and buildings in the future. At the same time, the Directors believe the Acquisition helps broaden the investment portfolio of the Group and is expected bring positive investment return to the Group.

In view of the above, the Directors are of the view that the Acquisition is beneficial to the Group and is in the interest of the Company and the Shareholders as a whole. The Directors also consider that the terms of each of SPA A and SPA B are on normal commercial terms and are fair and reasonable.

IMPLICATIONS UNDER THE LISTING RULES

As certain of the relevant percentage ratio (as defined under the Listing Rules) in respect of the Acquisition exceeds 5% but all applicable percentage ratios are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is accordingly subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

As completion of the Acquisition is subject to the fulfilment (or where applicable, waiver) of the conditions under the SPAs, the Acquisition may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

DEFINITIONS

“Acquisition”	the acquisition of the Sale Shares
“associate(s)”	has the meaning as ascribed to it in the Listing Rules
“Board”	The board of Directors
“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 the Main Board of the Stock Exchange
“Completion A”	completion of the SPA A
“Completion B”	completion of the SPA B
“Completion Date A”	five business days from and excluding the date SPA A or such other date as the parties thereto shall agree in writing as the date on which Completion A shall take place in accordance with SPA A
“Completion Date B”	five business days from and excluding the date SPA B or such other date as the parties thereto shall agree in writing as the date on which Completion B shall take place in accordance with SPA B
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Covenantor A”	Mr. Cheng Ngok Fai (鄭岳輝), the legal and beneficial owner of Vendor A
“Covenantor B”	Mr. Cheng Keung Fai (鄭強輝), the legal and beneficial owner of Vendor B
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	The Rules Governing the Listing of Securities
“Long Stop Date”	30 June 2017 or such other date as Vendor A or Vendor B (as the case may be) and the Company may agree in writing
“PRC”	the People’s Republic of China, excluding Hong Kong, The Macau Special Administrative Region of The People’s Republic of China and Taiwan
“Sale Shares”	collectively Sale Shares A and Sale Shares B
“Sale Shares A”	the 100,000,000 ordinary shares of the Target Company of HK\$0.01 each beneficially owned by the Vendor A as at the date of the SPA A and immediately prior to Completion A
“Sale Shares B”	the 232,284,073 ordinary shares of the Target Company of HK\$0.01 each beneficially owned by the Vendor B as at the date of the SPA B and immediately prior to Completion B
“Shareholder(s)”	holder(s) of the issued Share(s)
“Share(s)”	ordinary share(s) of nominal value of HK\$0.10 each in the share capital of the Company
“Share Charge A”	the share charge entered into by Vendor A in relation to the pledging of 150,000,000 shares of the Target Company (which covers Sale Shares A) to a third party company
“Share Charge B”	the share charge entered into by Vendor B in relation to the pledging of 232,280,735 shares of Target Company (which covers part of Sale Shares B) to a third party company
“SPA A”	the share purchase agreement dated 27 April 2017 entered into between the Company, Vendor A and Covenantor A in relation to sale and purchase of Sale Shares A

“SPA B”	the share purchase agreement dated 27 April 2017 entered into between the Company, Vendor B and Covenantor B in relation to sale and purchase of Sale Shares B
“SPAs”	collectively SPA A and SPA B
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Nine Express Limited (九號運通有限公司), a company incorporated in Bermuda with limited liability, share of which is listed on the Main Board of the Stock Exchange (stock code:9)
“Target Group”	the Target Company and its subsidiaries
“USD”	the lawful currency of the United States of America
“Vendor A”	Connected-World Group Limited, a company incorporated in the British Virgin Islands with limited liability
“Vendor B”	Full Dragon Group Limited, a company incorporated in the British Virgin Islands with limited liability
“%”	per cent

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

Hong Kong, 27 April 2017

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.