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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: 6168)**

### PLACING OF NEW SHARES UNDER GENERAL MANDATE



博大證券有限公司  
Partners Capital Securities Limited

博大金融控股成員  
MEMBER OF PARTNERS FINANCIAL HOLDINGS

Placing Agent

#### THE PLACING

On 23 June 2017 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company has agreed to offer for subscription, and the Placing Agent has agreed to procure, as placing agent of the Company and on a best effort basis, Placees to subscribe for up to 100,000,000 Placing Shares at a price of HK\$0.88 per Placing Share. The Placees and their ultimate beneficial owners shall be third parties independent of the Group and its connected persons. The Placing Shares will be allotted and issued pursuant to the General Mandate.

The 100,000,000 Placing Shares represent (i) approximately 5.30% of the existing issued share capital of the Company as at the date of this announcement, and (ii) approximately 5.03% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares (assuming that there will not be any change in the issued share capital of the Company from the date of this announcement to the date of completion of the Placing). The aggregate nominal value of the Placing Shares (assuming the Placing is fully completed) will be HK\$10 million.

Subject to the completion of the Placing and assuming all the Placing Shares are fully placed, the gross proceeds from the Placing will be up to approximately HK\$88 million and the net proceeds from the Placing (after deduction of placing fee and other expenses of the Placing) will be up to approximately HK\$87.02 million. It is expected that such net proceeds from the Placing will be utilized for general working capital, repayment of debts and future investment of the Group as and when opportunities arise but no specific investment targets have been identified yet as at the date of this announcement.

**Since completion of the Placing is subject to fulfilment of the conditions as set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

On 23 June 2017 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, the principal terms of which are summarized below.

## **THE PLACING AGREEMENT**

**Date:** 23 June 2017

**Issuer:** The Company

**Placing Agent:** Partners Capital Securities Limited

The Placing Agent has agreed to procure, as placing agent of the Company and on a best effort basis, the Placees to subscribe for up to 100,000,000 Placing Shares. The Placing Agent will receive a placing fee of 1% of the aggregate Placing Price for the Placing Shares subscribed for by the Placees. Such placing fee was arrived at after arm's length negotiations between the Company and the Placing Agent under normal commercial terms and with reference to the prevailing market conditions.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, as at the date of this announcement, the Placing Agent and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

**Placees:**

The Placing Shares are to be placed to not less than six Placees, who and whose ultimate beneficial owners shall be third parties independent of the Company and its connected persons. The Placing Agent has also warranted and undertaken to the Company that none of the Placees would, immediately upon completion of the Placing, become a substantial shareholder (within the meaning ascribed to it under the Listing Rules) of the Company.

**Placing Price:**

The Placing Price of HK\$0.88 per Placing Share represents:

- (i) a discount of approximately 4.35% to the closing price of HK\$0.92 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (ii) a premium of approximately 0.23% to the average closing price of approximately HK\$0.878 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately prior to the date of the Placing Agreement.

The Placing Price was determined after arm's length negotiations between the Company and the Placing Agent with reference to, among other matters, the prevailing market prices of the Shares and the capital requirement for the future development of the Group.

The Directors consider that the terms of the Placing Agreement (including the Placing Price and the placing fee) are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

Subject to the completion of the Placing and assuming all the Placing Shares are fully placed, the gross proceeds from the Placing will be up to approximately HK\$88 million and the net proceeds from the Placing (after deduction of the placing fee and other expenses of the Placing) will be up to approximately HK\$87.02 million. On such basis, the net issue price will be approximately HK\$0.8702 per Placing Share.

**Placing Shares:**

The 100,000,000 Placing Shares represent (i) approximately 5.30% of the existing issued share capital of the Company as at the date of this announcement, and (ii) approximately 5.03% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares (assuming that there will not be any change in the issued share capital of the Company from the date of this announcement to the date of completion of the Placing). The aggregate nominal value of the Placing Shares (assuming the Placing is fully completed) will be HK\$10 million.

**Ranking:**

The Placing Shares will rank, upon issue, *pari passu* in all respects with the Shares in issue as at the date of allotment and issue of the Placing Shares.

**Conditions of the Placing:**

Completion of the Placing is conditional upon the satisfaction of the following conditions on or before 18 August 2017 (or such other date as agreed in writing between the Company and the Placing Agent) (“**Long Stop Date**”):

- (i) the listing status of the Shares not being revoked such that the Shares shall continue to be traded on the Stock Exchange before the completion of the Placing (except for the suspension of trading of the Shares in respect of the Placing Agreement pending an announcement to be made) and that neither the Stock Exchange nor the Securities and Futures Commission has indicated its dissenting view on the above-mentioned listing status based on the transactions proposed to be conducted under the Placing Agreement or reasons arising from thereof; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and the permission to deal in the Placing Shares.

Completion of the Placing shall take place on or before the fifth business days after the fulfillment of the conditions as set out above or such other date as agreed between the Company and the Placing Agent (the “**Completion Date**”).

If the above condition is not fulfilled by the Long Stop Date (or such other date as may be agreed to by the Placing Agent and the Company), all rights, obligations and liabilities of the Parties under the Placing Agreement in relation to the Placing shall cease and terminate and none of the Parties shall have any claim against any other Party in respect of the Placing save for any antecedent breaches of the Placing Agreement.

## Termination

The Placing Agent reserves the right to terminate the Placing Agreement by notice in writing to the Company at or prior to 10:00 a.m. on the Completion Date, if in its reasonable opinion, the success of the Placing would be materially and adversely affected by any of the following force majeure events:

- (a) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole;
- (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date of this announcement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the Placing (such success being the placing of the Placing Shares to potential investor(s)) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or
- (c) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs which affects the success of the Placing or otherwise in the reasonable opinion of the Placing Agent makes it inexpedient or inadvisable or inappropriate for Company or the Placing Agent to proceed with the Placing.

If, at or prior to 10:00 a.m. on the Completion Date;

- (a) the Company commits any material breach of, or omits to observe, any of its obligations or undertakings under the Placing Agreement;
- (b) any suspension in the trading of the Shares on the Stock Exchange for more than four consecutive trading days save for the purposes of clearing of any announcement relating to the Placing Agreement or circulars relating to the Placing and/or the sale and purchase agreement and the ancillary agreements thereto; or

- (c) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate in any material respect or would in any material respect be untrue or inaccurate and the Placing Agent, in its reasonable opinion, determines that any such untrue representation or warranty has or is likely to have a material adverse change in the financial or trading position or prospects of the Group taken as a whole or will otherwise likely to have a material prejudicial effect on the Placing,

the Placing Agent shall be entitled by notice in writing to the Company to elect to treat such matter or event as releasing and discharging it from its obligations under the Placing Agreement.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

**Since completion of the Placing is subject to the fulfilment of the conditions as set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

#### **GENERAL MANDATE TO ALLOT AND ISSUE THE PLACING SHARES**

The Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the AGM. Under the General Mandate, the Company is authorized to issue up to 361,524,000 Shares. As at the date of this announcement, 189,200,000 Shares have been allotted and issued pursuant to the General Mandate. The remaining balance of the General Mandate as at date of this announcement is 172,324,000 Shares and is therefore sufficient for the issue and allotment of the Placing Shares.

Accordingly, the allotment and issue of the Placing Shares are not subject to any Shareholders' approval.

#### **APPLICATION FOR LISTING**

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

#### **REASONS FOR THE PLACING AND USE OF PROCEEDS**

The Group is principally engaged in the provision of deployment services of optical fibers in the PRC. The Group aims to become a leading optical fiber deployment service provider for telecommunication operators in the PRC by (1) further strengthening its deployment services of optical fibers, and (2) expanding its business of low-voltage equipment integration services.

As disclosed in the annual report of the Company for the year ended 31 December 2016, the Group recorded a loss attributable to the Shareholders of approximately RMB253.2 million for the year ended 31 December 2016. In addition, the Group did not declare or pay any dividend for the year ended 31 December 2016. In light of the above, the Directors are of the view that the Placing can strengthen the financial position and liquidity of the Group to meet any future development and financial obligations. The Placing also represents good opportunities to broaden the Company's funding channels. As a result, the Directors consider that the Placing is in the interest of the Company and the Shareholders as a whole.

As discussed above, assuming all the Placing Shares are fully placed, the maximum net proceeds from the Placing are estimated to be up to approximately HK\$87.02 million. Upon completion of the Placing, it is expected that such net proceeds from the Placing will be utilized for general working capital, repayment of debts and future investment of the Group as and when opportunities arise but no specific investment targets have been identified yet as at the date of this announcement.

## **FUND RAISING ACTIVITIES OF THE COMPANY DURING THE PAST 12 MONTHS**

The Company has conducted the following fund raising activities in the past twelve months before the date of this announcement:

<b>Date of announcement</b>	<b>Fund raising activity</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds</b>
28 January 2017, 7 February 2017	Issue of (a) 11% guaranteed note in the principal amount of US\$10 million due 2019; (b) 8% guaranteed convertible bond in the principal amount of US\$10 million due 2019.	The net proceeds will be used by the Group to fund the day-to-day operations of the business as operated by the Group.	Approximately HK\$57 million of the net proceeds has been used to fund the day-to-day operations of the Business as operated by the Group.
15 June 2017	Issue of (a) 11% guaranteed note in the principal amount of US\$4 million due 2019; (b) 8% guaranteed convertible bond in the principal amount of US\$4 million due 2019.	The net proceeds of approximately HK\$62,350,000 will be used by the Group to fund the day-to-day operations of the business as operated by the Group and potential investments and acquisitions as and when opportunities arise.	As the transaction has not yet been completed as at the date of the announcement, the net proceeds has not yet been utilized and is expected to be used for the intended purposes as set out herein and in the announcement dated 15 June 2017



Save as disclosed above, the Company has not conducted any other fund raising activities in the 12 months immediately preceding the date of this announcement.

## EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the existing shareholding structure of the Company as at the date of this announcement and the effect on the shareholding structure of the Company upon completion of the Placing (assuming that the Placing is fully completed and there is no other change in the shareholding structure of the Company before the allotment and issue of the Placing Shares under the Placing) are set out as below:

	As at the date of this announcement		Upon completion of the Placing	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Mr. Jiang Changqing (Chairman) and his associates	654,502,000 (Note)	34.67	654,502,000 (Note)	32.93
Other substantial shareholders	572,148,000	30.31	572,148,000	28.79
The Placee(s)	—	—	100,000,000	5.03
Public Shareholders	<u>660,970,000</u>	<u>35.02</u>	<u>660,970,000</u>	<u>33.25</u>
<b>Total</b>	<u><u>1,887,620,000</u></u>	<u><u>100.00%</u></u>	<u><u>1,987,620,000</u></u>	<u><u>100.00%</u></u>

*Note:* These comprise (i) 10,195,000 Shares owned by Mr. Jiang Changqing's spouse, Ms. Guo Aru, as beneficial owner; and (ii) 644,307,000 Shares indirectly held by Mr. Jiang Changqing through Bright Warm Limited which is 100% beneficially owned by him.

**Since completion of the Placing is subject to the fulfilment of the conditions as set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**



## DEFINITIONS

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

“AGM”	:	the annual general meeting of the Company held on 10 June 2016 at which, among other things, the General Mandate was granted to the Directors;
“associate(s)”	:	has the meaning ascribed to it under the Listing Rules;
“Board”	:	the board of Directors;
“Business Day”	:	a day on which banks in Hong Kong are open for general banking business, other than (i) a Saturday or a Sunday; or (ii) a day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.;
“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 (Stock Code: 6168);
“connected person(s)”	:	has the same meaning as ascribed to it under the Listing Rules;
“Directors”	:	the directors of the Company;
“General Mandate”	:	the general mandate granted to the Directors by a resolution passed at the AGM to allot, issue or otherwise deal with Shares up to a maximum of 20% of the total number of the issued Shares of the Company as at 10 June 2016;
“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 on the Stock Exchange, as may be amended or supplemented from time to time;
“Party” as “Parties”	:	the Company and the Placing Agent, as parties to the Placing Agreement;
“Placees”	:	any independent institutional, professional and/or other investors to be procured by or on behalf of the Placing Agent to subscribe for the Placing Shares under the Placing;
“Placing”	:	the offer by way of private placing of the Placing Shares by or on behalf of the Placing Agent for subscription by the Placees and on the terms and subject to the conditions set out in the Placing Agreement;
“Placing Agent”	:	Partners Capital Securities Limited, a licensed corporation permitted to carry on business in Type 1 (dealing in securities) regulated activities under the SFO;
“Placing Agreement”	:	the placing agreement entered into between the Company and the Placing Agent dated 23 June 2017 in relation to the Placing;
“Placing Price”	:	HK\$0.88 per Placing Share;
“Placing Shares”	:	100,000,000 new Shares to be placed pursuant to the Placing Agreement, and each, a “Placing Share”;
“PRC” or “People’s Republic of China”	:	The People’s Republic of China;
“RMB”	:	Renminbi, the lawful currency of the PRC;
“SFO”	:	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	:	ordinary share(s) of nominal price of HK\$0.10 each in the share capital of the Company;
“Shareholders”	:	shareholders of the Company;

“Stock Exchange”	:	The Stock Exchange of Hong Kong Limited;
“subsidiary”	:	has the same meaning as ascribed to it under the Listing Rules;
“Trading Days”	:	means days on which the Stock Exchange is open for trading; and
“%”	:	per cent.

By order of the Board  
**China U-Ton Holdings Limited**  
**Jiang Changqing**  
*Chairman and Executive Director*

Hong Kong, 23 June 2017

*As at the date of this announcement, the executive directors of the Company are Mr. Jiang Changqing, Ms. Guo Aru, Mr. Li Qingli, Mr. Zhao Feng and Ms. Ji Huifang; the non-executive director of the Company is Mr. Ge Lingyue; the independent non-executive directors of the Company are Mr. Meng Fanlin, Mr. Wang Haiyu and Ms. Li Xiaohui.*