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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: 8232)

VOLUNTARY ANNOUNCEMENT ACQUISITION OF A COMMUNICATION CONSTRUCTION OPERATION COMPANY

The Board is pleased to announce that on 2 May 2013 (after trading hours), Hebei Changtong Communication Engineering Co. Ltd. (河北昌通通信工程有限公司) (“Hebei Changtong”), which is a wholly-owned subsidiary of the Company, and the Vendor entered into the Agreement. Accordingly, Hebei Changtong agreed to acquire and the Vendor agreed to sell 51% of the issued share capital of Hunan San Cheng Communication Construction Co. Ltd. (湖南三成通信建設有限公司) (“Hunan San Cheng”) which is principally engaged in communication construction and sale of communication equipments.

The Board announces that Hebei Changtong, which is a wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor in relation to the Acquisition. As each of the applicable percentage ratios as defined in Chapter 19 of the GEM Listing Rules for the transaction under the Agreement is less than 5%, this announcement is made on a voluntary basis.

THE PRINCIPLE TERMS

Date: 2 May 2013 (after trading hours)

Parties: (1) Purchaser: Hebei Changtong, a wholly-owned subsidiary of the Company

(2) Vendor: Mr. Zeng Hong (曾宏)

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor is an Independent Third Party.

PURCHASE OF SHARE

Hebei Changtong agreed to acquire and the Vendor agreed to sell 51% of the issued share capital of Hunan San Cheng on 2 May 2013 (after trading hours). Hunan San Cheng is principally engaged in communication construction and sale of communication equipments.

CONSIDERATION

- (1) The consideration for the acquisition is RMB2,510,000 and which is referred to the unaudited net asset value of Hunan San Cheng as at 31 December 2012 and which was amounted to RMB4,983,000. As at the date of the announcement, issued share capital of Hunan San Cheng is RMB5,000,000.
- (2) The consideration will be settled by Hebei Changtong to Vendor in cash upon completion of the Agreement.
- (3) The Group intends to settle the consideration by use of proceeds from placing shares of the Company completed on 12 June 2012 (which was scheduled to be utilized in the second half of 2012 originally but unutilized with reference to on actual business progress as discussed in our 2012's annual report).

VENDOR COMMITMENT

After the completion of the Agreement, the Vendor will continue to be responsible to work with the Group for managing the operation of Hunan San Cheng and the period is to be mutually agreed by both parties.

COMPLETION

The completion of the Agreement is subject to, amongst other things, the satisfaction on the due diligence conducted by the Group on Hunan San Cheng; and the completion of all necessary procedures regarding the transfer of 51% of the issued share capital of Hunan San Cheng to Hebei Changtong as required by relevant PRC governmental authorities.

Upon completion of the Agreement, Hunan San Cheng will become an indirectly 51% owned subsidiary of the Company.

REASONS FOR ENTERING INTO THE AGREEMENT

The principal activities of the Group include deployment of optical fibers in the PRC and one of the business strategies is to explore geographical business opportunities through acquisition.

The Company believes that entering into the Agreement will enhance the Group's competitiveness in Hunan Province and will promote the Group's micro-ducts and mini-cable system integration methods for optical fibers deployment projects in the PRC.

GENERAL INFORMATION

All the terms and conditions of the agreement are negotiations between the parties at arms length.

DEFINITIONS

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

“Agreement”	the agreement dated 2 May 2013 (after trading hours) entered into between Hebei Changtong Communication Engineering Co. Ltd (河北昌通通信工程有限公司), a wholly-owned subsidiary of the Company, and the Vendor in relation to the acquisition of 51% of the issued share capital of Hunan San Cheng
“Board”	the Board of Directors of the Company
“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 of the Stock Exchange
“Directors”	the directors of the Company, including the independent non-executive directors
“GEM”	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
“Hunan Sang Cheng”	Hunan Sang Cheng Communication Construction Co. Ltd (湖南三成通信建设有限公司) a limited liability company established on 10 May 2012 in accordance with the laws of the PRC

“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 GEM Listing Rules
“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Mr. ZENG HONG (曾宏), who beneficially held 90% issued share capital of Hunan San Cheng Communication Construction Co. Ltd. (湖南三成通信建設有限公司) before the completion of the Agreement

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

Hong Kong, 2 May 2013

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, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The directors of the Company, 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.

This announcement will remain on GEM website on the “Latest Company Announcements” page for at least 7 days from the date of its posting and the Company website at www.chinauton.com.