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中国优通控股
China UT Holding

CHINA U-TON FUTURE SPACE INDUSTRIAL GROUP HOLDINGS LTD.
中國優通未來空間產業集團控股有限公司

(In Liquidation)
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 6168)

ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE, RULE 13.09 OF THE LISTING RULES AND THE INSIDE INFORMATION PROVISIONS IN RELATION TO THE FRAMEWORK AGREEMENT

This announcement is made by the Company pursuant to Rule 3.7 of the Takeovers Code, Rule 13.09 of the Listing Rules and the Inside Information Provisions.

THE FRAMEWORK AGREEMENT

The Board announces that on 29 March 2022, the Company, the Potential Investor and Mr. Jiang entered into the Framework Agreement, in relation to, among others, the Potential Investor's interest to invest a total amount of HK\$100,000,000 into the Company involving (i) the Possible Subscription; (ii) the entering into of the Creditors' Scheme; and (iii) the Capital Reorganization, for the purpose of and in connection with the implementation of the Restructuring.

The matters set forth in the Framework Agreement constitute only an expression of the mutual intent of the Parties and are contingent upon the negotiation, completion, execution and delivery of the Formal Agreement.

IMPLICATIONS UNDER THE TAKEOVERS CODE

If the Possible Subscription materializes, upon completion of the Possible Subscription, the Potential Investor and the parties acting in concert with it may in aggregate be interested in more than 50% of the entire issued share capital of the Company as enlarged by the allotment and issuance of the Subscription Shares which may lead to a change in control of the Company and will then give rise to an obligation on the part of the Potential Investor (and any parties acting in concert with it) to make a mandatory unconditional general offer for all the Shares (other than those already owned or agreed to be acquired by the Potential Investor or parties acting in concert with it) under Rule 26.1 of the Takeovers Code.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 3:00 p.m. on Wednesday, 5 May 2021 and will remain suspended pending fulfilment of the resumption guidance and any supplement or modification thereto. Further announcements will be made to provide further updates to the shareholders and potential investors of the Company as and when appropriate.

The Formal Agreement may or may not proceed to signing or completion. Even if the definitive Formal Agreement is signed, completion of the Possible Subscription may still be subject to the fulfillment (or, where applicable, waiver) of the conditions precedent contained therein. There is no assurance that the Possible Subscription or the possible mandatory general offer pursuant to Rule 26.1 of the Takeovers Code (if the Whitewash Waiver condition is waived) will materialize or eventually be consummated. Persons who are in doubt as to the action they should take should consult their stockbroker(s), bank manager(s), solicitor(s) or other professional advisor (s).

This announcement is made by the Company pursuant to Rule 3.7 of the Takeovers Code, Rule 13.09 of the Listing Rules and the Inside Information Provisions.

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The matters set forth in the Framework Agreement constitute only an expression of the mutual intent of the Parties and are contingent upon the negotiation, completion, execution and delivery of the Formal Agreement.

Set out below are the principal terms of the Framework Agreement:

The Proposal

Pursuant to the discussion and negotiation between Mr. Jiang, the Liquidators and the Potential Investor, a summary of the Proposal is as follows:

1. The Potential Investor intends to invest the Investment Amount into the Company for the purpose of and in connection with the implementation of the Restructuring;
2. The Company shall issue and allot the Subscription Shares immediately upon completion of the Restructuring, to be subscribed by the Potential Investor, which consideration shall be deemed fully settled by (or shall be set-off against) the Investment Amount;

3. The Company shall enter into the Creditors' Schemes for the purpose of discharging all existing and contingent debts, indebtedness and liabilities of any nature of the Company to the extent permissible in the jurisdictions to which the Company is governed, including but not limited to Hong Kong; and
4. The Company shall implement the Capital Reorganization to facilitate the new share issuance under the Possible Subscription and the Creditors' Schemes.

Payment by the Potential Investor

The Company and the Potential Investor agreed that the Potential Investor shall initially provide a loan to the Company in the amount of HK\$10,000,000 payable in two installments, the loan proceeds of which shall be advanced to the Liquidators on behalf of the Company for the settlement of partial professional fees in relation to the Restructuring.

The first tranche of the loan of HK\$5,000,000 has been advanced by the Potential Investor to the Liquidators on behalf of the Company which will be used for the settlement of initial payment of professional fees in relation to the Restructuring.

The remaining amount of the loan of HK\$5,000,000 shall be payable by the Potential Investor to the Liquidators on behalf of the Company upon circulation of the draft interim results for the six months ended 30 June 2021 and the draft audited annual results for the year ended 31 December 2021 by the auditors of the Company to the Company for partial settlement of the professional fees in relation to the Restructuring.

The Company agreed that any amount of the Investor Payment advanced by the Potential Investor in connection with the Restructuring to or in favour of or for the benefits of the Company pursuant to the Framework Agreement shall be deemed to be and regarded as part of the Investment Amount provided or made by the Potential Investor into the Company.

The Potential Investor agreed to provide the Interim Financing to the Group so as to fully support the working capital requirement of the business operation of the Group in Hong Kong. The Company agreed to grant in favour of the Potential Investor a fixed charge over the entire share capital of the operating company which receives the Interim Financing from the Potential Investor as security for the Investor Payment.

In the event that (i) the Restructuring is not completed by 4 November 2022 (or such other date as may be agreed by the Parties in writing), or is terminated or fails to be completed; or (ii) the auditors of the Company fails to circulate to the Company the draft interim results for the six months ended 30 June 2021 and the draft audited annual results for the year ended 31 December 2021 by 31 July 2022, any Investor Payment shall become immediately repayable on demand.

Exclusivity

Mr. Jiang undertakes (and shall procure the Liquidators and the Company to undertake) that they will not and will procure their affiliates, agents, advisers, directors, employees, officers and representatives not to, for a period of six (6) months from the date of the Framework Agreement, directly or indirectly solicit, initiate, encourage, enter into or participate in any inquiry, discussion or proposal with any third party on the participation in the Restructuring or any investment in connection with the Restructuring.

Binding effect

Pursuant to the Framework Agreement, save for the provisions on the Proposal which do not constitute legal or binding obligation between the Parties, all clauses of the Framework Agreement shall constitute legal and binding obligation between the Parties.

IMPLICATIONS UNDER THE TAKEOVERS CODE

If the Possible Subscription materializes, upon completion of the Possible Subscription, the Potential Investor and the parties acting in concert with it may in aggregate be interested in more than 50% of the entire issued share capital of the Company as enlarged by the allotment and issuance of the Subscription Shares which may lead to a change in control of the Company and will then give rise to an obligation on the part of the Potential Investor (and any parties acting in concert with it) to make a mandatory unconditional general offer for all the Shares (other than those already owned or agreed to be acquired by the Potential Investor or parties acting in concert with it) under Rule 26.1 of the Takeovers Code.

As advised by the Potential Investor, the Potential Investor intends to apply to the Executive for the Whitewash Waiver in respect of the mandatory general offer obligation under Rule 26.1 of the Takeovers Code as a result of the issue of the Subscription Shares. The Potential Investor and the Company have not concluded whether obtaining the Whitewash Waiver will be a waivable or non-waivable condition to the completion of the Possible Subscription under the Formal Agreement. If the Whitewash Waiver is a waivable condition to the completion of the Possible Subscription under the Formal Agreement, a mandatory general offer pursuant to Rule 26.1 of the Takeovers Code cannot be ruled out. If the Whitewash Waiver is a non-waivable condition to the completion of the Possible Subscription under the Formal Agreement, the Possible Subscription will not proceed to completion in the event that the Whitewash Waiver is not granted by the Executive. As such, an offer period in respect of the Company commences on the date of this announcement.

SECURITIES OF THE COMPANY

As at the date of this announcement, the relevant securities of the Company comprise 2,859,942,965 ordinary shares. Save for the aforesaid, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date hereof.

DEALING DISCLOSURE

For the purpose of the Takeovers Code, the offer period commences on the date of this announcement, being 4 April 2022.

In accordance with Rule 3.8 of the Takeovers Code, respective associates of the Company (as defined in the Takeovers Code), including among others, Shareholders having interests of 5% or more in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company) and of the Potential Investor are hereby reminded to disclose their dealings in the securities of the Company pursuant to the requirements of the Takeovers Code.

RESPONSIBILITIES OF STOCKBROKERS, BANKS AND OTHER INTERMEDIARIES

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

MONTHLY UPDATE

In accordance with Rule 3.7 of the Takeovers Code, monthly announcement(s) will be made by the Company until announcement of firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made. Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the Listing Rules and the Takeovers Code (as the case may be).

CONTINUED SUSPENSION OF TRADING IN THE SHARES

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 3:00 p.m. on Wednesday, 5 May 2021 and will remain suspended pending fulfilment of the resumption guidance and any supplement or modification thereto. Further announcements will be made to provide further updates to the shareholders and potential investors of the Company as and when appropriate.

WARNINGS:

The Formal Agreement may or may not proceed to signing or completion. Even if the definitive Formal Agreement is signed, completion of the Possible Subscription may still be subject to the fulfillment (or, where applicable, waiver) of the conditions precedent contained therein. There is no assurance that the Possible Subscription or the possible mandatory general offer pursuant to Rule 26.1 of the Takeovers Code (if the Whitewash Waiver condition is waived) will materialize or eventually be consummated. Persons who are in doubt as to the action they should take should consult their stockbroker(s), bank manager(s), solicitor(s) or other professional advisor(s).

DEFINITIONS

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

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	board of Directors
“Business Day(s)”	any day (excluding Saturdays, Sundays, public holidays and days on which a tropical cyclone warning 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.) on which licensed banks generally are open for general banking business in Hong Kong
“Capital Reorganization”	the restructuring of the capital structure of the Company to facilitate the new share issuance of the Company under the Possible Subscription and the Creditors’ Schemes
“Company”	China U-Ton Future Space Industrial Group Holdings Ltd. 中國優通未來空間產業集團控股有限公司 (In Liquidation), a company incorporated in the Cayman Islands with limited liability, and the issued Shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Creditors’ Schemes”	schemes of arrangement with the creditors of the Company for the purpose of discharging all existing and contingent debts, indebtedness and liabilities of any nature of the Company to the extent permissible in the jurisdictions to which the Company is governed, including but not limited to Hong Kong
“Director(s)”	the director(s) of the Company from time to time
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates

“Formal Agreement”	the formal agreement to be entered into between the Parties which shall set forth in detail any further terms, provisions and conditions of the matters under the Framework Agreement
“Framework Agreement”	the framework agreement dated 29 March 2022 entered into between the Company, the Potential Investor and Mr. Jiang in relation to, among others, the Potential Investor expressing its interest to invest a total amount of HK\$100,000,000 into the Company for the purpose of and in connection with the implementation of the Restructuring
“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 PRC
“Inside Information Provisions”	the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Investment Amount”	a total amount of HK\$100,000,000 proposed to be invested into the Company for the purpose of and in connection with the implementation of the Restructuring by the Potential Investor
“Investor Payment”	any amount advanced by the Potential Investor in connection with the Restructuring to or in favour of or for the benefits of the Company pursuant to the Framework Agreement
“Independent Third Party”	any person or company and their respective ultimate beneficial owner(s) who, to the best knowledge, information and belief of the Directors and having made all reasonable enquiries, are third parties independent of the Company and its connected persons
“Interim Financing”	the interim financing in cash to be provided by the Potential Investor to fully support the working capital requirement of the business operation of the Group in Hong Kong

“Liquidators”	Mr. Ho Man Kit and Ms. Kong Sze Man Simone of Maninvest Asia Limited, who have been appointed as joint and several liquidators of the Company pursuant to an order dated 25 June 2021 made by the High Court of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Jiang”	Mr. Jiang Changqing, an executive Director
“Parties”	parties to the Framework Agreement, namely, the Company, Mr. Jiang and the Potential Investor
“Possible Subscription”	the possible subscription for the Subscription Shares by the Potential Investor pursuant to the terms of the Framework Agreement, representing more than 50% of the total issued share capital of the Company immediately upon completion of the Restructuring
“Potential Investor”	Harrod Invest Limited, a company incorporated in the Republic of the Marshall Islands, being the potential investor under the Framework Agreement and an Independent Third Party
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Taiwan and Macau Special Administrative Region of the PRC
“Proposal”	the proposal relating to the Restructuring, details of which are set forth in the paragraph headed “The Framework Agreement – The Proposal” in this announcement
“Restructuring”	the restructuring of the Company which involves the Creditors’ Schemes and the Capital Reorganization
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Shares”	Shares to be subscribed by the Potential Investor under the Possible Subscription
“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers and Share Buy-backs
“Whitewash Waiver”	a waiver from the Executive pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code in respect of the obligations of the Potential Investor to make a mandatory general offer for all of the Shares not already owned or agreed to be acquired by the Potential Investor and any parties acting in concert with it which would, if the Possible Subscription materializes, otherwise arise as a result of the completion of the Possible Subscription
“%”	per cent.

Mr. Ho Man Kit
Joint and Several Liquidator of
CHINA U-TON FUTURE SPACE
INDUSTRIAL GROUP HOLDINGS LTD.
(In Liquidation)

Hong Kong, 4 April 2022

As at the date of this announcement, the executive directors of the Company are Mr. Jiang Changqing, Mr. Zhao Feng, Ms. Liu Jianzhou, Mr. Chen Qizheng, Mr. Liu Zhen and Mr. Mok, Kwan Leong; the non-executive director is Mr. Ge Lingyue; the independent non-executive directors are Mr. Wang Haiyu, and Ms. Wu Hanpu.

The affairs, business and property of the Company in Hong Kong are being managed by Mr. Ho Man Kit and Ms. Kong Sze Man Simone, the joint and several liquidators, who act as the agent of the Company only and without personal liability.

The Directors and the Liquidators jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

Website: www.chinauton.com.hk