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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)

PROPOSED CAPITAL REDUCTION AND SUB-DIVISION OF UNISSUED SHARES

PROPOSED CAPITAL REDUCTION AND SUB-DIVISION OF UNISSUED SHARES

Reference is made to the Announcement. The Company proposes to implement the Capital Reduction and the Sub-division to provide greater pricing flexibility for the possible issue of new shares by the Company under the Possible Subscription and the Creditors' Schemes as part of the Restructuring.

The Company proposes to implement (1) the Capital Reduction involving the reduction of the par value of each issued Share from HK\$0.10 to HK\$0.001 by cancelling the paid up share capital to the extent of HK\$0.099 per issued Share so that following such reduction, each issued Share with a par value of HK\$0.10 in the share capital of the Company shall become one New Share with a par value of HK\$0.001; and (2) the Sub-division immediately following the Capital Reduction becoming effective, such that each authorized but unissued Share with a par value of HK\$0.10 will be sub-divided into 100 authorized but unissued New Shares with a par value of HK\$0.001 each.

As at the date of this announcement, 2,859,942,965 Shares were issued and were fully paid or credited as fully paid. Assuming that the par value of each of the 2,859,942,965 issued Shares will be reduced from HK\$0.10 to HK\$0.001 per issued Share by cancelling the paid up share capital to the extent of HK\$0.099 per issued Share so as to form issued New Shares with par value of HK\$0.001 each, the Company's existing issued share capital of HK\$285,994,296.50 will be reduced by HK\$283,134,353.535 to HK\$2,859,942.965.

The credit arising from the Capital Reduction will be applied towards offsetting the Accumulated Losses as at the effective date of the Capital Reduction, thereby reducing the Accumulated Losses, and the balance of any such credit remaining after offsetting the Accumulated Losses may be applied by the Company in any manner as permitted by all applicable laws and the Memorandum and Articles of Association.

The Capital Reduction and Sub-division are conditional upon fulfillment of the conditions contained in the section headed "Conditions of the Capital Reduction and the Sub-division" in this announcement.

General

As no Shareholders have a material interest in the Capital Reduction and the Sub-division, no Shareholders will be required to abstain from voting on the resolution to approve the Capital Reduction and the Sub-division.

An EGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other matters, the Capital Reduction and the Sub-division.

A circular containing, among other matters, further details of the Capital Reduction and the Sub-division, together with a notice convening the EGM and the related proxy form, will be despatched by the Company to the Shareholders on Monday, 30 May 2022.

CONTINUED SUSPENSION OF TRADING

Trading in the Shares on the Stock Exchange has been suspended with effect from 3:00 p.m. on Wednesday, 5 May 2021 and will remain suspended pending fulfillment 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 Capital Reduction and the Sub-division are subject to the fulfillment of various conditions and therefore may or may not materialize. Subject to the fulfillment of all the resumption conditions imposed by the Stock Exchange, the Stock Exchange may not grant the approval for the listing of, and permission to deal in, the New Shares arising from the Capital Reduction and the Sub-division.

The release of this announcement does not necessarily indicate that the Restructuring will be completed or trading in the Shares will be resumed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. The Company will keep the Shareholders and investors informed of the latest developments by making further announcements as and when appropriate. In the event that the Company fails to satisfy all of the resumption conditions imposed by the Stock Exchange by 4 November 2022, the Listing Division of the Stock Exchange may recommend the Listing Committee to proceed with the cancellation of the Company's listing status.

PROPOSED CAPITAL REDUCTION AND SUB-DIVISION OF UNISSUED SHARES

Reference is made to the Announcement. The Company proposes to implement the Capital Reduction and the Sub-division to provide greater pricing flexibility for the possible issue of new shares by the Company under the Possible Subscription and the Creditors' Schemes as part of the Restructuring.

As at the date of this announcement, the authorized share capital of the Company was HK\$400,000,000 divided into 4,000,000,000 Shares of par value HK\$0.10 each, of which 2,859,942,965 Shares were issued and were fully paid or credited as fully paid.

The Company proposes the Capital Reduction and the Sub-division to be implemented in the following manner:

- (i) the par value of each of the issued Shares be reduced from HK\$0.10 to HK\$0.001 per issued Share by cancelling the paid up share capital to the extent of HK\$0.099 per issued Share;
- (ii) the credit arising from the Capital Reduction will be applied towards offsetting the accumulated losses of the Company (the “**Accumulated Losses**”) as at the effective date of the Capital Reduction, and the balance of any such credit remaining after offsetting the Accumulated Losses will be applied by the Company in any manner as permitted by all applicable laws, the Memorandum and Articles of Association;
- (iii) immediately following the Capital Reduction becoming effective, each of the authorized but unissued Shares with par value of HK\$0.10 each be sub-divided into 100 authorized but unissued New Shares with par value of HK\$0.001 each; and
- (iv) each of the New Shares arising from the Capital Reduction and the Sub-division shall rank *pari passu* in all respects with each other and will have the rights and privileges and be subject to the restrictions contained in the Memorandum and Articles of Association.

As at the date of this announcement, 2,859,942,965 Shares were issued and were fully paid or credited as fully paid. Assuming that the par value of each of the 2,859,942,965 issued Shares will be reduced from HK\$0.10 to HK\$0.001 per issued Share by cancelling the paid up share capital to the extent of HK\$0.099 per issued Share so as to form issued New Shares with par value of HK\$0.001 each, the Company’s existing issued share capital of HK\$285,994,296.50 will be reduced by HK\$283,134,353.535 to HK\$2,859,942.965.

Conditions of the Capital Reduction and the Sub-division

The Capital Reduction and the Sub-division is conditional on the following conditions being fulfilled:

- (i) the passing of a special resolution by the Shareholders approving the Capital Reduction and the Sub-division at the EGM;
- (ii) an order being made by the Court confirming the Capital Reduction;
- (iii) compliance with any conditions which the Court may impose in relation to the Capital Reduction;
- (iv) registration by the Registrar of Companies of the Cayman Islands of a copy of the order of the Court confirming the Capital Reduction and the minute approved by the Court containing the particulars required under the Companies Act with respect to the Capital Reduction; and
- (v) the Listing Committee granting the listing of, and permission to deal in, the New Shares arising from the Capital Reduction and the Sub-division.

The Capital Reduction and the Sub-division will become effective when the conditions above have been fulfilled. None of the conditions above can be waived by the Company. Upon the approval by the Shareholders of the Capital Reduction and the Sub-division at the EGM, the legal advisors to the Company (as to Cayman Islands law) will apply to the Court for hearing date(s) to confirm the Capital Reduction and further announcement(s) will be made by the Company as soon as practicable after the Court hearing date(s) is confirmed.

Capital structure of the Company

Assuming there will be no change in the issued share capital of the Company from the date of this announcement up to the date on which the Capital Reduction and the Sub-division becomes effective, the share capital structure of the Company will be as follows:

	As at the date of this announcement	Immediately after the Capital Reduction and the Sub-division becoming effective
Par value	HK\$0.10 per Share	HK\$0.001 per New Share
Amount of the authorized share capital	HK\$400,000,000	HK\$400,000,000
Number of authorized shares	4,000,000,000 Shares	400,000,000,000 New Shares
Amount of the issued share capital	HK\$285,994,296.50	HK\$2,859,942.965
Number of issued shares	2,859,942,965 Shares	2,859,942,965 New Shares

Listing of and dealings in the New Shares

Application will be made to the Listing Committee for the listing of, and permission to deal in, the New Shares arising from the Capital Reduction and the Sub-division.

The New Shares will be identical in all respects and rank *pari passu* in all respects with each other as to all future dividends and distributions which are declared, made or paid. Subject to the granting of the listing of, and permission to deal in, the New Shares on the Stock Exchange, the New Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the New Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

None of the share capital or debt securities of the Company is listed or dealt in on any other stock exchange other than the Stock Exchange and no such listing or permission to deal is being or is proposed to be sought.

The Capital Reduction and the Sub-division are subject to the fulfillment of various conditions and therefore may or may not materialize. Subject to the fulfillment of all the resumption conditions imposed by the Stock Exchange, the Stock Exchange may not grant the approval for the listing of, and permission to deal in, the New Shares arising from the Capital Reduction and the Sub-division.

The release of this announcement does not necessarily indicate that the Restructuring will be completed or trading in the Shares will be resumed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. The Company will keep the Shareholders and investors informed of the latest developments by making further announcements as and when appropriate. In the event that the Company fails to satisfy all of the resumption conditions imposed by the Stock Exchange by 4 November 2022, the Listing Division of the Stock Exchange may recommend the Listing Committee to proceed with the cancellation of the Company's listing status.

Free exchange of share certificates for the New Shares

As the Court hearing date(s) is yet to be fixed, the effective date of the Capital Reduction and the Sub-division is not ascertainable at present. Should the Capital Reduction and the Sub-division become effective, Shareholders may submit existing certificates (in yellow colour) for the Shares to the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 54th Floor, Hopewell Centre, 83 Queen's Road East, Wanchai, Hong Kong, for exchange, at the expense of the Company, within five weeks from the effective date of the Capital Reduction and the Sub-division, for certificates for the New Shares. Details of such free exchange of share certificates will be announced as soon as the effective date of the Capital Reduction and the Sub-division is ascertained.

All existing certificates of the Shares will continue to be evidence of title to such Shares and be valid for delivery, trading and settlement purpose.

Shareholders should note that after the prescribed time for free exchange of share certificates, a fee of HK\$2.50 (or such higher amount as may from time to time be allowed by the Stock Exchange) will be payable by the Shareholders to the branch share registrar and transfer office of the Company, Tricor Investor Services Limited, for each share certificate issued for the New Shares or each existing share certificate for the Shares submitted for cancellation, whichever the number of certificates issued or cancelled is higher.

Reasons for and effects of the Capital Reduction and the Sub-division

The proposed Capital Reduction and the Sub-division will provide greater pricing flexibility for the possible issue of new shares by the Company under the Possible Subscription and the Creditors' Schemes as part of the Restructuring. The Company is not permitted, without order of the Court, to issue new shares below their nominal or par value.

Upon completion of the Capital Reduction and the Sub-division, the authorized share capital of the Company would be HK\$2,859,942.965 divided into 2,859,942,965 New Shares of HK\$0.001 each, of which 2,859,942,965 New Shares have been issued and were fully paid or credited as fully paid.

The credit arising from the Capital Reduction in the amount of HK\$283,134,353.535 will be applied towards offsetting the Accumulated Losses as at the effective date of the Capital Reduction, thereby reducing the Accumulated Losses, and the balance of any such credit remaining after offsetting the Accumulated Losses may be applied by the Company in any manner as permitted by all applicable laws and the Memorandum and Articles of Association.

Save for applying the credit arising from the Capital Reduction towards offsetting the Accumulated Losses and the expenses to be incurred in relation to the Capital Reduction and the Sub-division, the implementation of the Capital Reduction and the Sub-division will have no effect on the underlying assets, business operations, management or financial position of the Company or the proportional interests of the Shareholders in the Company.

The Capital Reduction and the Sub-division will not involve any diminution of any liability in respect of any unpaid capital of the Company or the return of capital or cash to the Shareholders, nor will it result in any change in the relative rights of the Shareholders.

As at the date of this announcement, save for the (i) the Capital Reduction and the Sub-division; and (ii) the transactions contemplated under the framework agreement as mentioned in the Announcement, the Company has no intention to carry out other corporate action or arrangement, including share consolidation, share sub-division and capital reduction, in the next 12 months.

EXPECTED TIMETABLE OF THE CAPITAL REDUCTION AND THE SUB-DIVISION

Set out below is the expected timetable for the implementation of the Capital Reduction and the Sub-division. The expected timetable is subject to the results of the EGM and satisfaction of the conditions to Capital Reduction and the Sub-division and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this announcement refer to the Hong Kong local times and dates.

Event

Despatch date of
the circular with notice of the EGM on or before Monday, 30 May 2022

Latest time for lodging valid transfer(s) of Share(s)
in order to qualify for attending and
voting at the EGM. 4:30 p.m. on Tuesday, 14 June 2022

Closure of register of members
for determining the entitlement to attend
and vote at the EGM Wednesday, 15 June 2022
to Wednesday, 22 June 2022
(both days inclusive)

Latest time for lodging forms of
proxy for the EGM 10:00 a.m. on Monday, 20 June 2022

Record date for determining the entitlement to
attend and vote at the EGM. Wednesday, 22 June 2022

Date and time of the EGM 10:00 a.m. on Wednesday, 22 June 2022

Announcement of poll results of the EGM Wednesday, 22 June 2022

The following events are conditional on the fulfillment of the conditions for the implementation of Capital Reduction and the Sub-division and therefore the dates are tentative:

Event

Expected effective date of
the Capital Reduction and the Sub-division. No later than 9:00 a.m. on
Friday, 4 November 2022

Commencement of dealing in
the New Shares No later than Friday, 4 November 2022

First day for free exchange of
existing share certificates for
new share certificates for the New Shares No later than Friday, 4 November 2022

Last day for free exchange of
existing share certificates for
new share certificates for the New Shares No later than Monday, 12 December 2022

General

As no Shareholders have a material interest in the Capital Reduction and the Sub-division, no Shareholders will be required to abstain from voting on the resolution to approve the Capital Reduction and the Sub-division.

An EGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other matters, the Capital Reduction and the Sub-division.

A circular containing, among other matters, further details of the Capital Reduction and the Sub-division, together with a notice convening the EGM and the related proxy form, will be despatched by the Company to the Shareholders on Monday, 30 May 2022.

CONTINUED SUSPENSION OF TRADING IN THE SHARES

Trading in the Shares on the Stock Exchange has been suspended with effect from 3:00 p.m. on Wednesday, 5 May 2021 and will remain suspended pending fulfillment 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.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Accumulated Losses”	has the meaning ascribed thereto in the section headed “Proposed Capital Reduction and Sub-division of unissued Shares” in this announcement
“Announcement”	the announcement of the Company dated 4 April 2022
“Board”	the board of Directors
“Capital Reduction”	the proposed reduction of the issued share capital of the Company by reducing the par value of each issued Share from HK\$0.10 to HK\$0.001 by cancelling the paid up share capital to the extent of HK\$0.099 per issued Share
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC

“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“Companies Act”	the Companies Act (2022 Revision) of the Cayman Islands, as consolidated and revised
“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, the issued Shares of which are listed on the Stock Exchange
“Court”	the Grand Court of the Cayman Islands
“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
“EGM”	the extraordinary general meeting of the Company to be convened and held for Shareholders to consider and, if thought fit, approve, among other matters, the Capital Reduction and the Sub-division
“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“HKSCC”	the Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Committee”	has the same meaning ascribed thereto under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Memorandum and Articles of Association”	the amended and restated memorandum and articles of association of the Company adopted on 9 March 2020, as amended from time to time
“New Share(s)”	ordinary share(s) with par value of HK\$0.001 each in the share capital of the Company immediately after the Capital Reduction and the Sub-division becoming effective
“Possible Subscription”	the possible subscription for Shares by Harrod Invest Limited pursuant to the terms of the framework agreement dated 29 March 2022 entered into among the Company, Harrod Invest Limited and Mr. Jiang Changqing, further details of which are set out in the Announcement
“Restructuring”	the restructuring of the Company which involves the Creditors’ Schemes and the Capital Reduction and the Sub-division
“Share(s)”	ordinary share(s) with par value of HK\$0.10 each in the share capital of the Company prior to the Capital Reduction and the Sub-division becoming effective
“Shareholder(s)”	the holder(s) of the Share(s) or the New Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sub-division”	the proposed sub-division of each authorized but unissued Share into 100 authorized and unissued New Shares

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

Hong Kong, 16 May 2022

As at the date of this announcement, the executive Directors 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.

Website: www.chinauton.com.hk