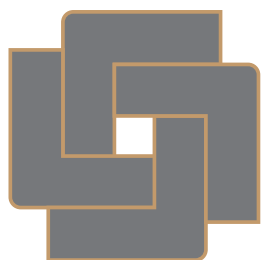


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林達控股有限公司
LAMTEX HOLDINGS LTD.

STOCK CODE 股份代號1041

(Formerly known as China New Energy Power Group Limited 中國新能源動力集團有限公司)
(Incorporated in Bermuda with limited liability)
(Stock Code: 1041)

**PLACING OF NEW SHARES UNDER GENERAL MANDATE; AND
CONNECTED TRANSACTION IN RELATION TO ISSUE OF CONVERTIBLE BONDS
UNDER SPECIFIC MANDATE**

Placing Agent

 **KINGSTON SECURITIES**

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 21 November 2016 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent. Pursuant to the Placing Agreement, the Company has conditionally agreed to allot and issue, and the Placing Agent has conditionally agreed to place on a best effort basis, a maximum of 139,480,000 Placing Shares to not less than six Placees who and whose ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons at the Placing Price of HK\$0.23 per Placing Share.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and completion of the Placing, the maximum number of 139,480,000 Placing Shares represents (i) approximately 20.00% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the 139,480,000 Placing Shares. The maximum aggregate nominal value of the Placing Shares will be US\$697,400.

The Placing Price of HK\$0.23 per Placing Share represents (i) a discount of approximately 19.30% to the closing price of HK\$0.285 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 19.58% to the average closing price of HK\$0.286 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Shares will be allotted and issued pursuant to the General Mandate. Accordingly, the allotment and issue of the Placing Shares is not subject to further approval of the Shareholders. The Placing is conditional upon, among other things, the granting or agreeing to grant by the Stock Exchange of the listing of, and permission to deal in, all of the Placing Shares.

ISSUE OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

On 21 November 2016 (after trading hours of the Stock Exchange), the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Company conditionally agreed to issue, and the Subscriber conditionally agreed to subscribe for, the Convertible Bonds in the aggregate principal amount of HK\$200 million.

Based on the initial Conversion Price of HK\$0.285 per Conversion Share, a maximum of 701,754,385 Conversion Shares will be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Bonds in full which in aggregate represent:

- (i) approximately 100.62% of the existing issued share capital of the Company as at the date of this announcement; and
- (ii) approximately 50.15% of the issued share capital of the Company as enlarged by the allotment and issue of the 701,754,385 Conversion Shares.

The aggregate nominal value of the 701,754,385 Conversion Shares will be approximately US\$3,508,772.

The allotment and issue of the Conversion Shares upon the exercise of the conversion rights attaching to the Convertible Bonds will be made under the Specific Mandate to be sought from the Independent Shareholders at the SGM.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares. No listing of the Convertible Bonds will be sought on the Stock Exchange or any other stock exchanges.

For the avoidance of doubt, the Placing Agreement and the Subscription Agreement are not inter-conditional upon each other.

USE OF PROCEEDS

Assuming the maximum number of the Placing Shares is placed under the Placing Agreement, the gross proceeds from the Placing will be approximately HK\$32.08 million and the net proceeds will be approximately HK\$31.18 million (after deduction of commission and other expenses of the Placing). The net price per Placing Share shall be approximately HK\$0.223.

Subject to completion of the Subscription, the aggregate gross proceeds from the Subscription shall be HK\$200 million and the aggregate net proceeds from the Subscription (after deduction of all relevant costs and expenses) are estimated to be approximately HK\$198.68 million.

The Company intends to utilise the net proceeds from the Placing and the Subscription for the purposes as disclosed in the paragraph headed “REASONS FOR AND BENEFITS OF THE PLACING AND THE SUBSCRIPTION AND USE OF PROCEEDS” in this announcement.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Subscriber, being a substantial shareholder of the Company, holds 152,130,000 Shares, representing approximately 21.81% of the existing issued share capital of the Company. Ms. Shen Jing, an executive Director, is the ultimate beneficial owner of the Subscriber. The Subscriber is regarded as a connected person of the Company under the Listing Rules. Accordingly, the Subscription constitutes a connected transaction for the Company. The Subscription, as a connected transaction of the Company, is subject to the requirements of reporting, announcement and approval of the Independent Shareholders at the SGM by way of poll pursuant to Chapter 14A of the Listing Rules.

GENERAL

The Subscriber, being a substantial shareholder of the Company, is involved in and considered to have a material interest in the Subscription. According to the information available to the Company, Ms. Shen Jing, an executive Director, is the ultimate beneficial owner of the Subscriber. Therefore, the Subscriber, Ms. Shen Jing and their respective associates and concert parties will abstain from voting on the resolution(s) in relation to the Subscription Agreement and the transactions contemplated thereunder at the SGM.

The Independent Board Committee comprising all independent non-executive Directors has been formed to advise the Independent Shareholders on the Subscription Agreement and the transactions contemplated thereunder. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard and an announcement will be made upon its appointment.

A circular containing, among other things, (i) details of the Subscription Agreement and the transactions contemplated thereunder; (ii) a letter from the Independent Board Committee to the Independent Shareholders giving its recommendations in respect of the Subscription Agreement and the transactions contemplated thereunder; (iii) a letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders containing its advice on the Subscription Agreement and the transactions contemplated thereunder; and (iv) a notice of the SGM is expected to be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

Shareholders and potential investors should note that completion of each of the Placing and the Subscription is subject to satisfaction of certain conditions precedent and the Placing and the Subscription may or may not proceed. Shareholders and potential investors are therefore reminded to exercise caution when dealings in the Shares and any other securities of the Company.

PLACING OF NEW SHARES UNDER GENERAL MANDATE

The Placing Agreement

On 21 November 2016 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent.

Date

21 November 2016

Issuer

The Company

Placing Agent

Kingston Securities Limited

The Placing Agent has conditionally agreed to place a maximum of 139,480,000 Placing Shares, on a best effort basis, at the Placing Price of HK\$0.23 per Placing Share.

The Placing Agent will receive a placing commission of 2.5% of the aggregate amount equal to the Placing Price multiplied by the actual number of Placing Shares successfully placed by the Placing Agent. Such placing commission 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 knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, the Placing Agent and its associates are third parties independent of and are not connected with the Company and its connected persons.

Number of Placing Shares

As at the date of this announcement, the Company has 697,434,650 Shares in issue. Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and completion of the Placing, the maximum number of 139,480,000 Placing Shares represents:

- (i) approximately 20.00% of the existing issued share capital of the Company as at the date of this announcement; and
- (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the 139,480,000 Placing Shares.

The maximum aggregate nominal value of the Placing Shares will be US\$697,400.

Placees

The Placing Agent agreed to place the Placing Shares to not less than six Placees who and whose ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

It is not expected that any individual Placee will become a substantial shareholder of the Company immediately after the Placing. In the event that any of the Placees becomes a substantial Shareholder after completion of the Placing, further announcement will be made by the Company.

Ranking of the Placing Shares

The Placing Shares will rank pari passu in all respects among themselves and with the existing Shares in issue as at the date of such allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.23 per Placing Share represents:

- (i) a discount of approximately 19.30% to the closing price of HK\$0.285 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (ii) a discount of approximately 19.58% to the average closing price of HK\$0.286 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Price was determined with reference to the prevailing market price of the Share and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors (including the independent non-executive Directors) consider that the Placing and the terms of the Placing Agreement (including the Placing Price) are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

Mandate to issue the Placing Shares

The Placing Shares will be issued pursuant to the General Mandate under which the Company is authorised to allot and issue up to 139,486,930 Shares (as adjusted taking into account the effect of the Share Consolidation). Up to the date of this announcement, no Share has been issued under the General Mandate. Accordingly, the allotment and issue of the Placing Shares is not subject to further approval of the Shareholders.

Application for listing

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the approval for the listing of, and permission to deal in, the Placing Shares.

Conditions of the Placing

Completion of the Placing is conditional upon:

- (a) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares; and
- (b) the obligations of the Placing Agent under the Placing Agreement becoming unconditional and not being terminated in accordance with the terms thereof, including provisions regarding force majeure events.

If the above conditions are not satisfied and/or waived (other than the condition set out in paragraph (a) above, which cannot be waived) in whole or in part by the Placing Agent prior to 5:00 p.m. on 5 December 2016 or such later date to be agreed in writing between the Company and the Placing Agent, the Placing Agreement will be terminated and the Placing will not proceed and all obligations and liabilities of the parties thereunder (save for those relating to confidentiality) will forthwith cease and determine and no party will have any claim against the others (save for any antecedent breaches thereof).

Completion

Completion of the Placing will take place within four Business Days after the fulfilment or waiver (in respect of the condition set out in paragraph (b) above) of the conditions above or such other date to be agreed between the Company and the Placing Agent in writing.

Termination and force majeure

The Placing Agent reserves its right to terminate the arrangements set out in the Placing Agreement by notice in writing prior to 9:00 a.m. on the completion date of the Placing, if in the absolute opinion of the Placing Agent, the success of the Placing would be materially and adversely affected by any force majeure event (as defined below):

For this purpose, a “force majeure event” refers to:

- (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 absolute 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
- (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 the Placing Agreement) 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 absolute 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 of the Placing Shares by 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 or trading in securities) occurs which affect the success of the Placing (such success being the placing of the Placing Shares to potential investor(s)) or otherwise in the absolute opinion of the Placing Agent makes it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing.

If, at or prior to 9:00 a.m. on the completion date of the Placing:

- (a) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under the Placing Agreement; or
- (b) any suspension in the trading of the Shares on the Stock Exchange for more than ten consecutive trading days save for the purposes of clearing of any announcement(s) relating to the Placing Agreement; 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 or would in any respect be untrue or inaccurate, if repeated, the Placing Agent shall determine that any such untrue representation or warranty represents or is likely to represent 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 (but not bound) by notice in writing to the Company to elect to treat such matter or event as releasing and discharging the Placing Agent from its obligations under the Placing Agreement.

Upon giving of notice pursuant to the paragraph above, all obligations of the Placing Agent under the Placing Agreement shall cease and determine (save for those relating to confidentiality) and no party shall have any claim against any other parties in respect of any matter or thing arising out of or in connection with the Placing Agreement, save for any antecedent breaches.

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

ISSUE OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

The Subscription Agreement

The Board is pleased to announce that after trading hours of the Stock Exchange on 21 November 2016, the Company entered into the Subscription Agreement with the Subscriber, details of which are set out below.

Date

21 November 2016

Issuer

The Company

Subscriber

China Force Enterprises Inc.

As at the date of this announcement, the Subscriber, being a substantial shareholder of the Company, holds 152,130,000 Shares, representing approximately 21.81% of the existing issued share capital of the Company. Ms. Shen Jing, an executive Director, is the ultimate beneficial owner of the Subscriber. As such, the Subscriber is regarded as a connected person of the Company under the Listing Rules.

Issue of the Convertible Bonds

Pursuant to the Subscription Agreement, the Convertible Bonds in the principal amount of HK\$200 million will be issued on their face value to the Subscriber.

Assuming that the conversion rights attaching to the Convertible Bonds in the principal amount of HK\$200 million are exercised in full at the initial Conversion Price of HK\$0.285 per Conversion Share, a maximum of 701,754,385 Conversion Shares will be allotted and issued, representing:

- (i) approximately 100.62% of the existing issued share capital of the Company as at the date of this announcement; and
- (ii) approximately 50.15% of the existing issued share capital of the Company as enlarged by the allotment and issue of the 701,754,385 Conversion Shares.

The aggregate nominal value of the 701,754,385 Conversion Shares will be approximately US\$3,508,772.

The allotment and issue of the Conversion Shares upon the exercise of the conversion rights attaching to the Convertible Bonds will be made under the Specific Mandate to be sought from the Independent Shareholders at the SGM.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares. No listing of the Convertible Bonds will be sought on the Stock Exchange or any other stock exchanges.

Conditions precedent to completion of the Subscription

Completion of the Subscription is conditional upon the fulfilment of the following conditions precedent:

- (a) the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Conversion Shares;
- (b) the passing by the Independent Shareholders at the SGM of all necessary resolution(s) to approve the Subscription Agreement and the transactions contemplated thereunder, including but not limited to the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares;
- (c) all necessary consents and approvals to be obtained on the part of the Company in respect of the Subscription Agreement and the transactions contemplated thereunder having been obtained; and
- (d) all necessary consents and approvals to be obtained on the part of the Subscriber in respect of the Subscription Agreement and the transactions contemplated thereunder having been obtained.

None of the above conditions precedent may be waived. If any of the conditions precedent has not been fulfilled on or before 24 February 2017 or such other date as may be agreed in writing by the Company and the Subscriber, all rights, obligations and liabilities of the parties under the Subscription Agreement shall cease and determine and neither party shall have any claim against the other, save for any antecedent breaches of the terms thereof.

For the avoidance of doubt, the Placing Agreement and the Subscription Agreement are not inter-conditional upon each other.

Completion

Subject to all the conditions precedent having been fulfilled, completion of the Subscription will take place on a date falling within five (5) Business Days after satisfaction of all the conditions precedent as may be agreed by the Company (or such other date as may be agreed by the Company and the Subscriber in writing).

Principal Terms of the Convertible Bonds

The principal terms of the Convertible Bonds are summarised below:

Principal amount	HK\$200 million
Maturity Date	The date immediately following two years after the date of issue of the Convertible Bonds (or, if that is not a Business Day, the first Business Day thereafter).
Interest	The Convertible Bonds will bear interest on the outstanding principal amount thereof from the date of issue of the Convertible Bonds at a rate of 2.0% per annum. Interest will be payable by the Company quarterly in arrears every three (3) months after the date of issue of the Convertible Bonds.

Early redemption

The Company may at any time prior to the Maturity Date and from time to time redeem the Convertible Bonds at 100% of the outstanding principal amount (in whole or in part) in cash by serving at least 30 Business Days' prior written notice (the "**Early Redemption Notice**") on the Bondholder with the total amount proposed to be redeemed from the Bondholder specified therein. If a Bondholder issues a conversion notice on the same date as the Company issues an Early Redemption Notice, the Company shall have the right to elect whether the Early Redemption Notice or the conversion notice prevails. Upon the expiry of 30 Business Days after the date of the Early Redemption Notice, the Company shall redeem the outstanding principal amount of the Convertible Bonds as set out in the Early Redemption Notice, together with any interest or other payment that has accrued thereon in accordance with the relevant Convertible Bonds up to and excluding the early redemption date but has not been paid, unless previously redeemed.

Conversion rights

Subject to, and upon compliance with, the provisions of the terms and conditions of the Convertible Bonds, the Bondholder(s) will have the rights to convert the whole or part of the outstanding principal amount of the Convertible Bonds at the Conversion Price during the period commencing from the date of issue of the Convertible Bonds (or, if that is not a Business Day, the first Business Day thereafter) up to 4:00 p.m. (Hong Kong time) on the trading day immediately before the Maturity Date in amounts of not less than a whole multiple of HK\$1,000,000 on each conversion, save that if at any time the outstanding principal amount of the Convertible Bonds held by a Bondholder is less than HK\$1,000,000, or if a Bondholder intends to exercise the conversion rights attached to the entire principal amount of all the Convertible Bonds held by him, the Bondholder may convert the whole (but not part only) of the such outstanding principal amount of the Convertible Bonds,

provided that any conversion of the Convertible Bonds (a) shall not render such Bondholder (together with its associates and the parties acting in concert with it) to hold or control 30% or more of the entire issued share capital of the Company immediately after the allotment and issue of the relevant Conversion Shares; (b) will not cause the public float of the Company becoming unable to meet the requirement under the Listing Rules; and (c) shall not trigger a mandatory offer obligation under Rule 26 of the Takeovers Code on the part of the Bondholder which exercised the conversion right and party(ies) acting in concert (as defined under the Takeovers Code) with it.

Conversion Price

The initial Conversion Price, being HK\$0.285 per Conversion Share represents:

- (i) the same as the closing price of HK\$0.285 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement;
- (ii) a discount of approximately 0.35% to the average of the closing prices of approximately HK\$0.286 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreement; and
- (iii) a premium of approximately 1.42% over the average of the closing prices of approximately HK\$0.281 per Share as quoted on the Stock Exchange for the ten consecutive trading days immediately prior to the date of the Subscription Agreement.

Adjustment to Conversion Price

The Conversion Price will from time to time be adjusted in accordance with the relevant provisions under the terms and conditions of the Convertible Bonds upon occurrence of, among other things, the following events except where any such event is specifically exempted under the terms and conditions of the Convertible Bonds:

- (i) an alteration of the nominal amount of the Shares by reason of any consolidation or subdivision;
- (ii) an issue (other than in lieu of a cash dividend) by the Company of Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund);
- (iii) a capital distribution being made by the Company, whether on a reduction of capital or otherwise, to the Shareholders in their capacity as such, other than issue of Shares in lieu of a cash dividend and paid out of the aggregate of the net profits (less losses) accrued and attributable to the Shareholders for all financial periods after 31 December 2015 as shown in the audited consolidated profit and loss account of the Group for each financial period ended 31 December;

- (iv) an offer of new Shares for subscription by way of rights, or grant any options or warrants to subscribe for new Shares, being made by the Company to the Shareholders at a price which is less than 80% of the then market price of the Share;
- (v) an issue wholly for cash being made by the Company of securities convertible into or exchangeable for or carrying rights of subscription for new Shares, if in any case the total effective consideration per Share initially receivable for such securities is less than 80% of the then market price of the Shares, or such rights of conversion or exchange or subscription attached to any such securities being modified so that the said total effective consideration per Share initially receivable for such securities is less than 80% of the then market price of the Shares;
- (vi) an issue being made by the Company wholly for cash of Shares (other than Shares issued on the exercise of conversion rights attaching to the Convertible Bonds or on the exercise of any other rights of conversion into, or exchange or subscription for, Shares) at a price per Share less than 80% of the then market price of the Shares; and
- (vii) an issue being made by the Company of Shares for the acquisition of asset at the total effective consideration per Share which is less than 80% of the then market price of the Shares.

Conversion Shares

A maximum of 701,754,385 Conversion Shares may be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Bonds in full at the initial Conversion Price of HK\$0.285 per Conversion Share (assuming that there is no change in the issued share capital of the Company), representing:

- (i) approximately 100.62% of the existing issued share capital of the Company as at the date of this announcement; and
- (ii) approximately 50.15% of the issued share capital as enlarged by the allotment and issue of the 701,754,385 Conversion Shares.

Ranking of the Conversion Shares	The Conversion Shares, when allotted and issued upon the exercise of the conversion rights attaching to the Convertible Bonds, shall rank pari passu in all respects with the fully paid Shares in issue on the Business Day immediately following the date of the surrender of the Convertible Bonds and delivery of the relevant conversion notice therefor (the “ Conversion Date ”) (or where the date of surrender and delivery as aforesaid is the record date for any distribution or other right exercisable in respect of the Shares, the Conversion Date shall be deemed to be such date of surrender and delivery) and shall entitle the Bondholders thereof to participate in full in all dividends or other distributions paid or made on the Shares after such date other than any dividend or other distribution previously declared, or recommended or resolved to be paid or made if the record date therefor shall be on or before the relevant Conversion Date and notice of the amount and record date for which shall have been given to the Stock Exchange and the Bondholders prior to the relevant Conversion Date.
Transferability	The Convertible Bonds are transferable to any persons provided that the Convertible Bonds may not be transferred to any connected person of the Company except with the prior approval of the Company.
Voting	Bondholder(s) will not be entitled to attend or vote at any meetings of Shareholders by reason only of being Bondholder(s).
Listing	No application will be made for a listing of the Convertible Bonds on the Stock Exchange or any other stock exchange. Application will be made by the Company to the Stock Exchange for the listing of, and dealing in, the Conversion Shares.

Information on the Subscriber

The Subscriber, being a substantial shareholder of the Company, holds 152,130,000 Shares as at the date of this announcement, representing approximately 21.81% of the existing issued share capital of the Company.

According to the information available to the Company, Ms. Shen Jing, an executive Director, is the ultimate beneficial owner of the Subscriber. As such, the Subscriber is regarded as a connected person of the Company under the Listing Rules.

Specific Mandate

The Company will seek the approval from the Independent Shareholders at the SGM for the Specific Mandate for the allotment and issue of the Conversion Shares.

Based on the initial Conversion Price of HK\$0.285 per Conversion Share and assuming the exercise of the conversion rights attaching to the Convertible Bonds in full at the initial Conversion Price under the Subscription Agreement, the Convertible Bonds will be convertible into a maximum of 701,754,385 Conversion Shares, representing approximately 100.62% of the existing issued share capital of the Company as at the date of this announcement and approximately 50.15% of the issued share capital of the Company as enlarged by the allotment and issue of the 701,754,385 Conversion Shares.

REASONS FOR AND BENEFITS OF THE PLACING AND THE SUBSCRIPTION AND USE OF PROCEEDS

The Group is principally engaged in the property business and investment in securities business in Hong Kong and PRC.

Assuming the maximum number of the Placing Shares is placed under the Placing Agreement, the gross proceeds from the Placing will be approximately HK\$32.08 million and the net proceeds will be approximately HK\$31.18 million (after deduction of commission and other expenses of the Placing). The net price per Placing Share shall be approximately HK\$0.223.

The Company intends to use the net proceeds from the Placing for further developing our securities business including but not limited to margin financing.

Subject to completion of the Subscription, the aggregate gross proceeds from the Subscription shall be HK\$200 million and the aggregate net proceeds from the Subscription (after deduction of all relevant costs and expenses) are estimated to be approximately HK\$198.68 million.

The Company intends to use the net proceeds from the Subscription as to (i) approximately HK\$100 million for financing property development project(s) in Maoming; (ii) approximately HK\$28.68 million for further developing our securities business including but not limited to margin financing; and (iii) approximately HK\$70 million for further developing our loan financing service.

The Directors consider the Placing and the Subscription represent an opportunity for the Company to raise capital while broadening its shareholder base as well as its capital base. Accordingly, the Directors are of the view that the Placing and the Subscription are in the interest of the Company and its Shareholders as a whole.

EQUITY FUND RAISING ACTIVITIES BY THE COMPANY IN THE PAST TWELVE MONTHS

Save as disclosed below, the Company has not conducted any other equity fund raising activities in the past twelve months immediately preceding the date of this announcement:

Date of announcement	Fund raising activities	Net proceeds	Intended use of proceeds as announced	Actual use of proceeds
1 February 2016	Placing of 190,500,000 new Shares at HK\$0.11 per placing Share	Approximately HK\$20 million	General working capital for existing business and for development of new business if opportunities arise	Approximately HK\$14 million was used in the acquisition and development of new business and approximately HK\$6 million was applied as operating expenses of the Group

Furthermore, the Company has not repurchased any Shares within the past twelve months immediately prior to the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE

The table below sets out the changes to the shareholding structure of the Company as a result of completion of the Placing and the exercise of the conversion rights attaching to the Convertible Bonds in full at the initial Conversion Price of HK\$0.285 per Conversion Share under different scenarios (assuming the Placing Shares are placed in full and no other change in the issued share capital of the Company):

	As at the date of this announcement		Upon completion of the Placing but before the issue and allotment of the Conversion Shares upon the exercise of the conversion rights attaching to the Convertible Bonds (Note 2)		For illustrative purposes only, immediately after the issue and allotment of the Conversion Shares upon the exercise of the conversion rights attaching to the Convertible Bonds in full at the initial Conversion Price of HK\$0.285 per Conversion Share but before completion of the Placing (Note 3 and 4)		For illustrative purposes only, immediately after completion of the Placing and the issue and allotment of the Conversion Shares upon the exercise of the conversion rights attaching to the Convertible Bonds in full at the initial Conversion Price of HK\$0.285 per Conversion Share (Note 4)	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
The Subscriber (Note 1)	152,130,000	21.81	152,130,000	18.18	853,884,385	61.03	853,884,385	55.50
Public								
Placees under the Placing	–	–	139,480,000	16.67	–	–	139,480,000	9.06
Other public Shareholders	545,304,650	78.19	545,304,650	65.16	545,304,650	38.97	545,304,650	35.44
Total	697,434,650	100.00	836,914,650	100.00	1,399,189,035	100.00	1,538,669,035	100.00

Notes:

1. According to the information available to the Company, the Subscriber, China Force Enterprises Inc., is wholly owned by Glory Gate International Limited. Glory Gate International Limited is wholly owned by Legit Ability Limited, which in turn is wholly owned by Ms. Shen Jing, an executive Director.
2. Assuming all the Placing Shares would be allotted and issued upon completion of the Placing.
3. The figures derived are based on the existing shareholding structure of the Company and the assumption that save for the allotment and issue of up to 701,754,385 Conversion Shares to the Subscriber, there will be no other change in the total number of Shares in issue of the Company from the date of this announcement up to (and including) the date of issue of such Conversion Shares resulting from the exercise the conversion rights attaching to the Convertible Bonds in full at the initial Conversion Price of HK\$0.285 per Conversion Share.
4. Any conversion of the Convertible Bonds (a) shall not render such Bondholder (together with its associates and the parties acting in concert with it) to hold or control 30% or more of the entire issued share capital of the Company immediately after the allotment and issue of the relevant Conversion Shares; (b) will not cause the public float of the Company becoming unable to meet the requirement under the Listing Rules; and (c) shall not trigger a mandatory offer obligation under Rule 26 of the Takeovers Code on the part of the Bondholder which exercised the conversion right and party(ies) acting in concert (as defined under the Takeovers Code) with it.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Subscriber, being a substantial shareholder of the Company, holds 152,130,000 Shares, representing approximately 21.81% of the existing issued share capital of the Company. Ms. Shen Jing, an executive Director, is the ultimate beneficial owner of the Subscriber. The Subscriber is regarded as a connected person of the Company under the Listing Rules. Accordingly, the Subscription constitutes a connected transaction for the Company.

The Subscription, as a connected transaction of the Company, is subject to the requirements of reporting, announcement and approval of the Independent Shareholders at the SGM by way of poll pursuant to Chapter 14A of the Listing Rules.

GENERAL

The Subscriber, being a substantial shareholder of the Company, is involved in and considered to have a material interest in the Subscription. According to the information available to the Company, Ms. Shen Jing, an executive Director, is the ultimate beneficial owner of the Subscriber. Therefore, the Subscriber, Ms. Shen Jing and their respective associates and concert parties, will abstain from voting on the resolution(s) in relation to the Subscription at the SGM.

The Independent Board Committee comprising all independent non-executive Directors has been formed to advise the Independent Shareholders on the Subscription. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard and an announcement will be made upon its appointment.

A circular containing, among other things, (i) details of the Subscription Agreement and the transactions contemplated thereunder; (ii) a letter from the Independent Board Committee to the Independent Shareholders giving its recommendations in respect of the Subscription Agreement and the transactions contemplated thereunder; (iii) a letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders containing its advice on the Subscription Agreement and the transactions contemplated thereunder; and (iv) a notice of the SGM is expected to be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

Shareholders and potential investors should note that completion of each of the Placing and the Subscription is subject to satisfaction of certain conditions precedent and the Placing and the Subscription may or may not proceed. Shareholders and potential investors are therefore reminded to exercise caution when dealings in the Shares and any other securities of the Company.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires.

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Bondholder(s)”	holder(s) of the Convertible Bonds
“Business Day”	a day (excluding Saturday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business
“Company”	Lamtex Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1041)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Conversion Price”	the conversion price of the Convertible Bonds, being initially HK\$0.285 per Conversion Share, which is subject to adjustment pursuant to the terms and conditions of the Convertible Bonds
“Conversion Share(s)”	the Share(s) to be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Bonds

“Convertible Bonds”	the convertible bonds in the principal amount of HK\$200 million to be issued by the Company to the Subscriber pursuant to the Subscription Agreement
“Director(s)”	the director(s) of the Company from time to time
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 21 June 2016 to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of such annual general meeting, as adjusted taking into account the effect of the Share Consolidation
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Independent Board Committee”	an independent committee of the Board consisting of all independent non-executive Directors established for the purpose of advising the Independent Shareholders as to the fairness and reasonableness of the Subscription Agreement and the transactions contemplated thereunder
“Independent Shareholders”	Shareholders, other than the Subscriber, Ms. Shen Jing and their respective associates and/or concert parties and those parties who are involved or interested in the Subscription
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owners (if applicable) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maturity Date”	the date immediately following two years after the date of issue of the Convertible Bonds (or, if that is not a Business Day, the first Business Day thereafter)
“Placee(s)”	any professional, institutional or other investor(s) procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement
“Placing”	placing of the Placing Shares pursuant to the Placing Agreement

“Placing Agent”	Kingston Securities Limited, a licensed corporation to carry on business in Type 1 regulated activity (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement dated 21 November 2016 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.23 per Placing Share
“Placing Share(s)”	a maximum of 139,480,000 new Share(s) to be placed pursuant to the Placing Agreement
“PRC”	the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan (Republic of China) for the purposes of this announcement
“SGM”	a special general meeting of the Company to be convened and held to consider and, if thought fit, approve the Subscription Agreement and the transactions contemplated thereunder, including (among other matters) the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares falling to be issued upon the exercise of the conversion rights attaching to the Convertible Bonds
“Share Consolidation”	the consolidation of every 5 issued and unissued shares of the Company of par value of US\$0.001 each into 1 Share of par value of US\$0.005 effective from 1 August 2016
“Shareholder(s)”	the holder(s) of the Share(s)
“Share(s)”	the ordinary share(s) of US\$0.005 in the share capital of the Company
“Specific Mandate”	the specific mandate to be granted by the Independent Shareholders to the Board at the SGM for the allotment and issue of the Conversion Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	China Force Enterprises Inc., a substantial Shareholder holding 152,130,000 Shares, representing approximately 21.81% of the existing issued share capital of the Company as at the date of this announcement

“Subscription”	the proposed issue and subscription of the Convertible Bonds by the Subscriber pursuant to the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement entered into between the Company and the Subscriber on 21 November 2016 in respect of the Subscription
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers
“US\$”	United States dollars, the lawful currency of United States of America
“%”	per cent.

By Order of the Board
Lamtex Holdings Limited
Wu Xiaolin
Chief Executive Officer

Hong Kong, 21 November 2016

As at the date of this announcement, the Board comprises three Executive Directors, namely Mr. Wu Xiaolin (Chief Executive Officer), Mr. Wen Wenfeng and Ms. Shen Jing; two Non-Executive Directors, namely Mr. Lung Chee Ming George and Mr. Ye WeiMing; and three Independent Non-Executive Directors, namely Mr. Tse Long, Dr. Loke Yu (alias Loke Hoi Lam) and Mr. Zeng Zhaolin.