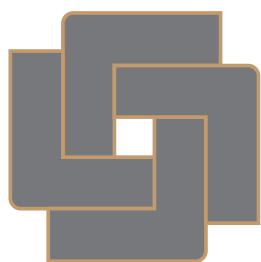


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林達控股有限公司
LAMTEX HOLDINGS LTD.

STOCK CODE 股份代號1041

(Incorporated in Bermuda with limited liability)
(Stock Code: 1041)

**SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO PROPOSED ISSUE OF UNLISTED WARRANTS
UNDER SPECIFIC MANDATE
PURSUANT TO CONSULTANCY AGREEMENT**

Reference is made to the announcement of the Company dated 2 September 2018 (the “**Announcement**”) in relation to, inter alia, the proposed issue of unlisted warrants. Unless otherwise defined, capitalized terms used herein shall have the same meaning as those set out in the Announcement.

The Company would like to make this announcement to make further disclosure of the information in the Announcement.

Information of the proposed issue of unlisted warrants

Pursuant to the Consultancy Agreement, the issue price for issuing each of the Warrants to the Consultant is HK\$0.01 per Warrant (“**Issue Price**”). Subject to the fulfillment of the conditions to the Subscription Agreement, the Company agreed to issue Warrants which can be exercisable into 86,000,000 Shares at the issue price of HK\$0.01 per Warrant as consideration for the consultancy services. Each Warrant carries the right to subscribe for one Warrant Share at the Warrant Exercise Price of HK\$0.4 (subject to adjustment).

Conditions precedent

For the avoidance of doubt, completion is conditional upon:

- (a) the fulfillment of the financing services for fund raising of not less than HK\$500,000,000;
- (b) the passing by the shareholders of the Company at the SGM of a resolution approving the issue of the Warrant in accordance with the Listing Rules; and
- (c) the Stock Exchange granting or agreeing to grant approval for the listing of and permission to deal in the shares to be issued by the Company upon exercise by the warrant holder of the rights attached to the Warrants.

In the event that (i) the above conditions (b) and (c) are not fulfilled by 31 December 2018 or such later date as may be agreed between the Company and Consultant, and (ii) the above condition (a) is not fulfilled by 28 February 2019 or such later date as may be agreed between the Company and Consultant, the Subscription Agreement will lapse and become null and void and the parties shall be released from all obligations hereunder, save for the liabilities for any antecedent breaches hereof.

Completion date should be taken on or before the 3rd business day after fulfillment of the conditions precedent.

Warrants issued to the Consultants will be treated as equity-settled share-based payments to Consultants and are measured at the fair value of the services rendered or if the fair value of the services rendered cannot be reliably measured, at the fair value of the equity instruments granted. The fair value is measured at the date the Group receives the services and is recognised as an expense according to Hong Kong Financial Reporting Standards.

Issuance of Warrant

Reference is made to the announcement of the Company regarding proposed issue of convertible bonds under specific mandate (“**Proposed Convertible Bonds**”) dated 2 September 2018 (“**CB Announcement**”), the subscribers of the Proposed Convertible Bonds, namely Charoen Pokphand Financial Investment Limited, Hoist Grand Holdings Limited, Infinite Grace Holdings Limited and Mr. Xiang Hong (向宏) (“**Subscribers**”), were identified by the Consultant pursuant to the Consultancy Agreement. The Consultant had

conducted background search on the Subscribers of the Proposed Convertible Bonds and provided professional advice to the Company during the negotiation and recommended the Subscribers to the Company for the Proposed Convertible Bonds. According to the CB Announcement, the Subscribers have conditionally agreed to subscribe for the Convertible Bonds in the aggregate principal amount of HK\$648 million.

Subject to the completion of the Proposed Convertible Bonds, the Consultant will be fully performed the financing for the Company of not less than HK\$500,000,000 and the Company will issue the Warrant to Consultant according to the Consultancy Agreement.

As disclosed in the Announcement, the Consultant will assist the Company by way of provision of the development strategy, business cooperation opportunities, relevant acquisition targets and relationship networking. In particular, the Consultant will assist the project group to achieve the performance target through its provision of the consultancy services.

It is the Company's planning to put its efforts in existing principal business and seek for other potential business opportunities with steady returns. The Company is expected to expand and diversify the business of the Group through acquisition of suitable target with steady returns in blockchain technology, business property investment and Factoring business etc.. As at the date of this Announcement, no agreement or concrete negotiation has been reached. The Company will make necessary disclosure as and when appropriate.

Consultancy Service Fee

The consultancy service fee was determined after arm's length negotiation between the parties after taking into consideration of the estimated fair value by an independent valuer engaged by the Company of approximately HK\$9 million, which is around 1.8% of the net proceeds from the Proposed Convertible Bonds to be raised and represented only around 1.39% of the amount of Proposed Convertible Bonds to be issued under the convertible bonds agreement as disclosed in the CB Announcement. The Company consider that the fees is within range of project financing services and consultancy services for similar project.

Given that (i) completion of the issue and the subscription is expected to increase the Company's net asset value by way of net proceeds generated from the subscription of Warrant; (ii) the trading of the Shares in the open market is relatively inactive and as such it may be difficult to attract investors to the Shares; and (iii) the Issue Price is within the range of the respective issue price of the market comparables, the Directors are of the view that, the Issue Price, Warrant Exercise price and the Consultancy Service Fee are fair and reasonable.

After taking into account of (i) the valuation report from independent valuer, (ii) the grant of the Warrants has no negative cashflow impact on the Group but a positive cashflow if the Warrants are exercised; (iii) the Warrants (upon exercise of the rights attaching thereto) will further enhance the capital base of the Company; (iv) the Warrants are non-interest bearing and the Company can apply the proceeds upon the exercise of the Warrants as

general working capital to expand the Group's existing business and to strengthen the Company's capital base; and (v) there is no other significant costs and expenses incurred or to be incurred by the Company (e.g. placing commissions, underwriting commissions, etc.) in connection with the issue of the Warrants, the Directors (including the independent non-executive Directors) consider that the Issue Price, Warrant Exercise Price and the consultancy service fee are fair and reasonable and is in the interest of the Company and the Shareholders as a whole.

Listing Rules Implication

Pursuant to the Rule 17.01 of the Listing Rules, any arrangement involving the grant of options to participants over new shares or other new securities of a listed issuer or any of its subsidiaries which, in the opinion of The Stock Exchange of Hong Kong Limited ("**Stock Exchange**"), is analogous to a share option scheme as described in Rule 17.01 of the Listing Rules must comply with the requirements of Chapter 17 of the Listing Rules.

The Company is of the view that Rule 17.01(1) of the Listing Rules expressly provides that any arrangement involving the grant of options over new shares of an issuer (or any of its subsidiaries) which, in the opinion of the Stock Exchange, is analogous to a share option scheme must comply with the requirements of Chapter 17 of the Listing Rules. This means that, among other things, the arrangement must be approved by shareholders in general meeting, the share options cannot be transferred to other persons, and the exercise price of the options cannot be set at a discount to the market price.

As disclosed in the Announcement, the Warrants will be issued to the Consultant under the specific mandate, which is subject to the Shareholders' approval. The Warrants were issued to a Consultant with a Warrant Exercise Price represents a premium to the market price and which is transferable in integral multiples of 100,000 Warrants.

As disclosed in the Announcement, the Company proposed to issue the Warrants to the Consultant as the consultancy services fee, which is an one-off transaction and the Company consider that the issue of Warrant is a compensation/payoff to the services rendered by the Consultant which is differ from the aim of the share option scheme of the Company in respect of attracting, retaining and motivating talented participants to strive for future development and expansion of the Group.

In view of the above, the Company considers that the Subscription Agreement and the Warrants does not fall under Chapter 17 of the Listing Rules.

By Order of the Board of
Lamtex Holdings Limited
Wu Xiaolin
Executive Director

Hong Kong, 7 September 2018

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Wu Xiaolin and Mr. Fan Kaiye; two non-executive Directors, namely Mr. Lung Chee Ming George and Mr. Liu Zhanqing; and three independent non-executive Directors, namely Mr. Tse Long, Dr. Loke Yu (alias Loke Hoi Lam) and Mr. Zeng Zhaolin.