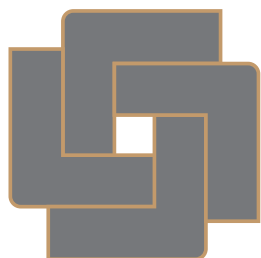


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林達控股有限公司  
LAMTEX HOLDINGS LTD.

STOCK CODE 股份代號1041

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

## **PROPOSED ISSUE OF CONVERTIBLE BONDS UNDER GENERAL MANDATE**

On 9 July 2019 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Company has conditionally agreed to issue and the Subscriber has conditionally agreed to subscribe for the Convertible Bonds in the aggregate principal amount of HK\$80,878,680.

Completion is subject to the fulfilment or waiver (as the case maybe) of the Conditions Precedent set out in the Subscription Agreement. Detailed terms of the Subscription Agreement and the Convertible Bonds are set out in the paragraphs headed “Principal terms of the Subscription Agreement” and “Principal terms of the Convertible Bonds”, respectively, in this announcement.

As at the date of this announcement, the Company has a total of 1,769,308,799 Shares in issue. Assuming there is no further issue or repurchase of the Shares, based on the initial Conversion Price of HK\$0.2286 per Conversion Share and assuming full conversion of the Convertible Bonds took place, the Convertible Bonds will be convertible into 353,800,000 Conversion Shares, representing approximately 20% of the existing issued share capital of the Company as at the date of this announcement and approximately 16.66% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares. The Conversion Shares will be allotted and issued pursuant to the General Mandate.

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

The net proceeds from the Subscription are intended to be used for investment purposes as agreed between the Subscriber and the Company.

**Completion of the Subscription Agreement is subject to the fulfilment or waiver of the Conditions Precedent. Accordingly, the issue of the Convertible Bonds may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

## **PROPOSED ISSUE OF THE CONVERTIBLE BONDS**

On 9 July 2019 (after trading hours), the Company and the Subscriber entered into the Subscription Agreement pursuant to which, on the terms and subject to the fulfilment or wavier (as the case maybe) of the Conditions Precedent contained therein, the Company has agreed to issue, and the Subscriber has agreed to subscribe for, the Convertible Bonds in an aggregate principal amount of HK\$80,878,680. No application will be made for the listing of the Convertible Bonds. Details of the Subscription Agreement and the terms of the Convertible Bonds are described below.

## **THE SUBSCRIPTION AGREEMENT**

### **Principal terms of the Subscription Agreement**

- Date : 9 July 2019 (after trading hours)
- Parties : (i) The Company  
(ii) The Subscriber
- Subscription : Subject to the fulfilment or, if applicable, waiver of the Conditions Precedent, the Subscriber shall subscribe for, and the Company shall issue, the Convertible Bonds in the principal amount of HK\$80,878,680.
- Payment : Subject to the fulfilment or, if applicable, waiver of the Conditions Precedent, payment of the principal amount of HK\$80,878,680 shall be made by the Subscriber to the Company by way of cheque, cashier order or any other payment methods specified by the Company.

- Conditions Precedent : Closing is subject to the following conditions precedent:
- (a) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Conversion Shares that may be issued upon conversion of the Convertible Bonds;
  - (b) the Company has obtained all relevant consents and approvals for the proposed issue of Convertible Bonds pursuant to the Subscription Agreement;
  - (c) the warranties given by the Company under the Subscription Agreement not having been breached and remaining true and accurate in all material respects and not misleading in any material respect as at the Closing Date;
  - (d) the Subscriber having been satisfied with the results of due diligence reviews of the assets, financial, operations and affairs of the Company conducted by or on behalf of the Subscriber or any of its advisers or agents;
  - (e) there being no event or circumstance that may have a material adverse effect on the business, assets, financial conditions, results, operations, properties or any other affairs of the Company; and
  - (f) the investment to be made by the Company using the net proceeds of the Subscription having been agreed by both the Subscriber and the Company.

Each of the conditions set out in paragraphs (c), (d) and (e) can be fully or partly waived by the Subscriber. Condition set out in paragraph (f) can be fully or partly waived by the agreement of both the Subscriber and the Company. All the other conditions cannot be waived by either party.

Termination : In the event that the Conditions Precedent are not fulfilled or waived (as the case maybe) by 31 July 2019 or such other date as may be agreed between the parties to the Subscription Agreements, the Subscription Agreement shall cease and terminate and neither the Company nor the Subscriber shall have any obligations and liabilities under the Subscription Agreement.

Closing Date : Closing should take place 7 days after the fulfilment or, if applicable, waiver of the Conditions Precedent or such other date as the Subscriber and the Company may agree in writing.

## Principal terms of the Convertible Bonds

- Issuer : The Company
- Principal amount : HK\$80,878,680 in aggregate
- Maturity date : The third anniversary of the day on which the Convertible Bonds are issued
- Interest : 3% per annum on the principal amount, accruing on a daily and calculated for actual number of days elapsed on a 365 day year
- Conversion Rights : Subject to the Terms and Conditions, the Subscriber may, convert the whole or any part of the outstanding principal amount of its Convertible Bonds into Conversion Shares at any time during the conversion period (as set out herein below) at the Conversion Price.
- Conversion Price : Subject to adjustments in the accordance with the Terms and Conditions, the Conversion Price is HK\$0.2286.

The Conversion Price represents the higher of:

- (i) a premium of approximately 2.51% over the closing price of HK\$0.223 per Share as quoted on the Stock Exchange on 9 July 2019, being the date of Subscription Agreement;
- (ii) the same over the average closing price of approximately HK\$0.2286 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately before the date of the Subscription Agreement; and
- (iii) a premium of approximately 0.31% over the average closing price of approximately HK\$0.2279 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately before the date of the Subscription Agreement.

The Conversion Price was determined after arm's length negotiations between the Company and the Subscriber with reference to the recent Shares price. The Directors consider the Conversion Price and the Terms and Conditions are fair and reasonable based on the current market conditions and in the interests of the Company and Shareholders as a whole.

- Adjustment events : The Conversion Price is subject to adjustment upon the occurrence of certain prescribed events namely:
- (a) if there is an alteration to the nominal value of the Shares as a result of consolidation, subdivision or reclassification in the Shares;
  - (b) if the Company issues any Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves (including any share premium account and/or capital redemption reserve fund) of the Company and which would not have constituted a Distribution;
  - (c) in the case of an issue of Shares by way of a scrip dividend where the market value of such Shares exceeds the relevant cash dividends declared by the Company and which would not have constituted a Distribution;
  - (d) in the event that the Company makes any capital distribution to the Shareholders;
  - (e) in the event of an offer of grant being made by the Company to the Shareholders by way of rights issues, options or warrant to subscribe for new Shares; and
  - (f) in the event the Company shall issue any new Shares or the issue or grant of options, warrants or other rights to subscribe or purchase of Shares (other than Shares issued on the exercise of Conversion Rights or on the exercise of any other rights of conversion into, or exchange or subscription for Shares pursuant to the Subscription Agreement or the share option scheme), in each case at a price per Share which is less than 80% of the market price on the last trading day preceding the announcement of the terms of such event.
  - (g) save as Shares issued pursuant to the Subscription Agreement or the share option scheme, if the Company or any of its subsidiaries or any other company, person or entity (at the direction or request of or pursuant to any arrangements with the Company or any of its subsidiaries) shall issue any securities (otherwise than stated in (e) or (f) above) which by their terms of issue carry rights of conversion into, or exchange or subscription at a consideration per Share which is less than 80% of the market price on the date of the announcement of the terms of such event.

- Conversion period and restrictions : From the expiry of three months after the issue of the Convertible Bonds up to the Maturity Date in amounts of not less than a whole multiple of HK\$10 million on each conversion (or if the outstanding principal amount of the Convertible Bonds is less than HK\$10 million on such conversion, the whole of such outstanding principal amount of the Convertible Bonds). Where a conversion would result in the Company not being able to satisfy the Stock Exchange's public shareholding requirement (i.e. 25% public float) under Rule 8.08 of the Listing Rules following conversion, the holder shall not be entitled to convert. If any conversion of the Convertible Bonds would trigger a mandatory offer under rule 26 of the Takeovers Code on the part of the holder and/or any party(ies) acting in concert with it, the holder of the Convertible Bonds shall not be entitled to exercise the conversion right. As one of the subsidiaries of the Company is a licensed corporation under the Securities and Futures Ordinance ("SFO"), where any conversion would result in the holder becoming a substantial shareholder (as defined in the SFO) of the licensed corporation, the holder shall not exercise its conversion right unless it has obtained the consent of the Securities and Futures Commission to become such substantial shareholder. At each conversion, the holder who exercises the conversion right must comply with all applicable foreign exchange control, fiscal and other laws and regulations.
- Conversion Shares : Based on the initial Conversion Price of HK\$0.2286, a maximum number of 353,800,000 Conversion Shares will be allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds in full, which represent approximately 20% of the existing issued share capital of the Company and approximately 16.66% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares.
- Transferability : Subject to the Listing Rules, the Convertible Bonds may be assigned or transferred to any transferee.
- Redemption : The Company has the right to redeem part or all of the principal together with interest at 4% per year by giving not less than one month's written notice after fifteen months from the date of issue of the Convertible Bonds.

- Events of default : The Convertible Bonds contain events of default provisions which provide that on the occurrence of certain events of default specified in the Convertible Bonds, the Subscriber shall be entitled to demand for immediate repayment of the principal amount outstanding with interest under the relevant Convertible Bonds. The events of default include:
- (i) the authorised share capital of the Company is insufficient to enable the Company to perform its obligations upon the conversion of the Convertible Bonds;
  - (ii) a default is made by the Company in the performance or observance of any covenant, condition or provision of the Convertible Bonds (other than the covenant to pay the principal and interest payable under the Convertible Bond), and such default continues for a period of 14 days following the service by the Subscriber on the Company a notice requiring such default to be ratified;
  - (iii) a serious breach under the Subscription Agreement has occurred, which includes the breach of representations under the Subscription Agreement;
  - (iv) a material part of the Company's assets or business is taken over by a security holder or liquidator;
  - (v) a material part of the Company's assets is confiscated or seized and not released within 30 business days;
  - (vi) the trading of the Shares are suspended on the Stock Exchange for more than 90 consecutive trading days or the Company is delisted from the Stock Exchange; and
  - (vii) a default is made for more than 14 days in the payment of the principal or interest under the Convertible Bonds when and as the same ought to be paid in accordance with the Terms and Conditions.
- Ranking : The Conversion Shares shall rank pari passu in all respects with the fully paid Shares in issue on the relevant registration date.
- Voting : The Subscriber shall not be entitled to attend or vote at any shareholders' meetings of the Company.

Listing : Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares. No application will be made for listing of, or permission to deal in, the Convertible Bonds on the Stock Exchange or any other stock exchange.

## **GENERAL MANDATE**

By a resolution of the Shareholders passed at the annual general meeting of the Company held on 31 May 2019, the Shareholders granted the General Mandate to the Board to allot and issue not more than 353,861,759 Shares. As at the date of this announcement, the Company is entitled to issue up to 353,861,759 Shares under the General Mandate. The Conversion Shares will be allotted and issued under the General Mandate and no Shareholders' approval is therefore required.

## **LISTING OF CONVERSION SHARES**

Application will be made by the Company for the listing of, and permission to deal in, the Conversion Shares on the Stock Exchange.

## **REASONS FOR ISSUING THE CONVERTIBLE BONDS AND USE OF PROCEEDS**

The Company intends to use the net proceeds from the issue of Convertible Bonds for financing the investment of a new fund that will be established in the second half of 2019 in the cultural tourism and medical health care sectors.

The Board (including the independent non-executive Directors) considers that the Terms and Conditions, which were arrived at after arm's length negotiations between the Company and the Subscriber, are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## **INFORMATION OF THE COMPANY**

The Company is an investment holding company. The principal activities of the Company's subsidiaries are securities trading and investment, securities brokerage and provision of securities margin finance, property investment, loan financing services and trading and manufacturing of electronic products and hotel operations.

## **INFORMATION OF THE SUBSCRIBER**

China United Capital Limited is a private company limited by shares incorporated in December 2012 in Hong Kong. The company is wholly owned by CITIC Merchant Co Ltd, a limited liability company incorporated in the PRC and its controlling shareholder being the CITIC Group. The President and Director of CITIC Merchant Co Ltd is Mr.



Huang Bin who currently holds senior management position as board member of CITIC International Assets Management Limited. The company is mainly engaged in investment business.

## CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the allotment and issue of the Conversion Shares upon full exercise of the Conversion Rights of the Convertible Bonds at the initial Conversion Price:

	As at the date of this announcement		Assuming the Convertible Bonds are fully converted into Conversion Shares at the initial Conversion Price	
	No. of Shares	%	No. of Shares	%
One Belt One Road Financial Limited ( <i>Note 1</i> )	512,982,456	28.99	512,982,456	24.16
GCL-Poly Energy Holdings Limited ( <i>Note 2</i> )	299,498,421	16.93	299,498,421	14.11
Subscriber	—	—	353,800,000	16.66
Public Shareholders	<u>956,827,922</u>	<u>54.08</u>	<u>956,827,922</u>	<u>45.07</u>
	<u>1,769,308,799</u>	<u>100.00</u>	<u>2,123,108,799</u>	<u>100.00</u>

*Note:* (1) One Belt One Road Financial Limited is wholly and beneficially owned by Mr. Tse Ping, an executive Director.

(2) The 299,498,421 shares were held by GCL-Poly Energy Holdings Limited, which was listed on the Main Board of the Stock Exchange (stock code: 3800).

## PUBLIC FLOAT

The Company will monitor closely and will ensure that it maintains the minimum public float percentage as prescribed under the Listing Rules from time to time. The Company's public float will not fall below the minimum prescribed percentage under the Listing Rules upon the conversion of the Convertible Bonds.

**Completion of the Subscription Agreement is subject to the fulfilment or waiver of the Conditions Precedent. Accordingly, the issue of the Convertible Bonds may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

<b>“Board”</b>	means board of Directors;
<b>“Business Day”</b>	means any day on which licensed banks in Hong Kong are open for general banking business;
<b>“Closing Date”</b>	means 7 days after the fulfilment or, if applicable, waiver of the Conditions Precedent or such other date as the Subscriber and the Company may agree in writing;
<b>“Company”</b>	means Lamtex Holdings Limited (林達控股有限公司), a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange;
<b>“Conditions Precedent”</b>	means the conditions precedent to the Subscription Agreement;
<b>“connected person”</b>	has the meaning ascribed to it under the Listing Rules;
<b>“Conversion Price”</b>	means the conversion price per Conversion Share and initially at HK\$0.2286 per Conversion Share, subject to adjustment according to the Terms and Conditions;
<b>“Conversion Share(s)”</b>	means Share(s) to be issued upon conversion of the Convertible Bonds pursuant to the Bond Certificates and the Conditions;
<b>“Convertible Bond(s)”</b>	means the convertible bonds in the aggregate principal amount of HK\$80,878,680 to be issued by the Company to the Subscriber pursuant to the Subscription Agreement;
<b>“Director(s)”</b>	means director(s) of the Company;
<b>“Distribution”</b>	means distribution in cash or specie;
<b>“Events of Default”</b>	means the events of default under the Terms and Conditions;
<b>“General Mandate”</b>	means the general mandate granted to the Board by the Shareholders at the annual general meeting of the Company held on 31 May 2019 to allot and issue and deal with up to 353,861,759 Shares, representing 20% of the issued share capital of the Company as at the date of such annual general meeting;
<b>“Group”</b>	means the Company and its subsidiaries;
<b>“Hong Kong”</b>	means the Hong Kong Special Administrative Region of the Peoples’ Republic of China;

<b>“HK\$”</b>	means Hong Kong dollars, the lawful currency of Hong Kong;
<b>“Last Trading Date”</b>	means 8 July 2019, the last trading date of the Shares immediately prior to the determination of the initial Conversion Price;
<b>“Listing Rules”</b>	means the Rules Governing the Listing of Securities on the Stock Exchange;
<b>“Share(s)”</b>	means ordinary share(s) in the issued and unissued capital of the Company, the par value of which being of US\$0.005 each;
<b>“Shareholder(s)”</b>	means the holder(s) of Shares;
<b>“Stock Exchange”</b>	means The Stock Exchange of Hong Kong Limited;
<b>“Subscriber”</b>	means holder(s) of the Convertible Bonds;
<b>“Subscription Agreement”</b>	means the subscription agreement dated 9 July 2019 entered into between the Company and the Subscriber in relation to the subscription of the Convertible Bonds in the principal amount of HK\$80,878,680;
<b>“Takeovers Code”</b>	means the Hong Kong Code on Takeovers and Mergers;
<b>“Terms and Conditions”</b>	means the terms and conditions of the Convertible Bonds; and
<b>“%” or “per cent”</b>	means percentage or per centum.

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

Hong Kong, 9 July 2019

*As at the date of this announcement, the Board comprises three Executive Directors, namely, Mr. Tse Ping (Chairman), Mr. Wu Xiaolin and Mr. Pan Xian; three Non-Executive Directors, namely Ms. Zang Yanxia, Mr. Liu Zhanqing and Mr. Xiao Shen; and three Independent Non-Executive Directors, namely Mr. Zeng Zhaolin, Dr. Loke Yu (alias Loke Hoi Lam) and Mr. Tse Long.*