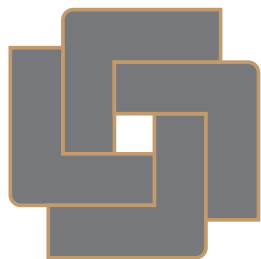


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林達控股有限公司
LAMTEX HOLDINGS LTD.

STOCK CODE 股份代號1041

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

INSIDE INFORMATION POSSIBLE RESTRUCTURING PLAN

This announcement is made by Lamtex Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

INTRODUCTION

Following a review of the preliminary unaudited financial results of the Company for the year ended 31 December 2019, the board (the “**Board**”) of directors (the “**Directors**”) of the Company has been considering various options to restructure the debts, which amounted to approximately HK\$150 million as at 31 December 2019. These options include but not limited to an application to the Supreme Court of Bermuda for a light-touch provisional liquidator and raising additional funds for the Company. On 10 June 2020, the Company and China United Capital Limited (華聯資本有限公司, the “**Potential Investor**”) entered into a term sheet (the “**Term Sheet**”) in relation to a possible restructuring plan of the Group.

MAJOR TERMS OF THE TERM SHEET

The principal terms of the Term Sheet are as follows:

(1) Possible restructuring plan

The Company and the Potential Investor shall use their best endeavours to prepare a restructuring plan and enter into a more definitive term sheet within a period of sixty (60) days from the date of the Term Sheet (the “**Exclusivity Period**”). The restructuring plan shall consist of a number of elements such as fund raising which may be in the form of (i) share subscription; and/or (ii) open offer (the “**Possible Restructuring Plan**”).

(2) Proposed amount of fund raising

It is expected that the amount of fund raising under the relevant restructuring proposal will be to the extent of HK\$180 million. The actual amount will be determined and subject to further negotiations between the parties to the Term Sheet.

(3) Expected use of proceeds

It is expected that the proceeds raised from the relevant restructuring proposal will be used for (i) the payment of outstanding debts due to creditors; (ii) restructuring cost; (iii) new business opportunities; and (iv) general working capital of the Company.

(4) Conditions precedent

It is expected that relevant restructuring proposal will be subject to, inter alia, the following conditions precedent:

- (i) All necessary resolutions being passed by the shareholders of the Company approving the Possible Restructuring Plan;
- (ii) All necessary waivers, consent and approvals including but not limited to that from the Stock Exchange, the Securities and Futures Commission and any other relevant regulatory authorities and relevant parties, which are required for the implementation of the Possible Restructuring Plan having been obtained; and
- (iii) A due diligence review on the Company and the results of which shall be satisfactory to the Potential Investor in its sole and absolute discretion.

(5) Exclusivity

The Company agrees that it will not during the Exclusivity Period initiate or continue negotiations or discussions with or furnish any information to any person or entity other than the Potential Investor with respect to a restructuring proposal of the Company.

(6) Non-legally binding effect

Save for the exclusivity and governing law, the Term Sheet does not constitute any legally binding commitment on the part of the Company. The final restructuring plan is subject to the execution and completion of a more definitive term sheet, which is intended to be entered into between the parties within the Exclusivity Period.

INFORMATION ABOUT THE POTENTIAL INVESTOR

The Potential Investor is China United Capital, a principal investment arm held by Company's shareholder Mr. Tse Ping, CITIC Merchant's subsidiaries, and other high net worth individuals, which is engaged in PIPE investment business.

As at the date of this announcement, the shares of the Potential Investor are owned as to 60% and 40% by Radiant Assets Management Limited (a company that Mr. Huang Bin, the chairman and an executive director of the Company, has an indirect interest) and Mr. Tse Ping (the former chairman and a former executive director of the Company) respectively. Accordingly, the Potential Investor is a connected person of the Company and the transaction(s) contemplated under the Possible Restructuring Plan, if being proceeded, may constitute connected transaction(s) under the Listing Rules.

REASONS FOR ENTERING INTO THE TERM SHEET

The Board is of the view that the Possible Restructuring Plan, if materialises, will provide the Group with the necessary funding to repay its outstanding debts and further expand the business operations of the Company. The Term Sheet was intended to record the preliminary mutual understanding between the Company and the Potential Investor in relation to the Possible Restructuring Plan in order to facilitate the entering into of a more definitive term sheet.

Shareholders and potential investors of the Company should note that the Term Sheet only sets out the intention of the Company and Potential Investor in relation to, among other things, the Possible Restructuring Plan. The terms and conditions of the Possible Restructuring Plan under the Term Sheet are yet to be confirmed and agreed. As such, the Possible Restructuring Plan may or may not proceed and as at the date of this announcement, no legally binding agreement in relation thereto has been entered into. The Possible Restructuring Plan, if materialises, may constitute a connected transaction under the Listing Rules. Further announcement(s) will be made by the Company as and when appropriate. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board of
Lamtex Holdings Limited
Huang Bin
Chairman and Executive Director

Hong Kong, 10 June 2020

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Huang Bin, Mr. Wu Xiaolin, Mr. Cheng Tun Nei and Mr. Wen Wenfeng; two non-executive Directors, namely Ms. Zang Yanxia and Mr. Pan Xian; and four independent non-executive Directors, namely Mr. Xu Lin, Mr. Li Changhui, Mr. Liu Kam Lung and Mr. Li Ming Guo.