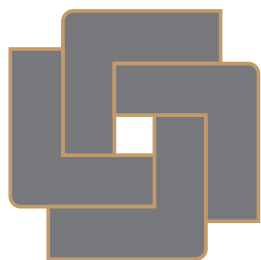


Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information purpose only and does not constitute an invitation or offer to acquire, purchase, or subscribe for the securities of the Company.



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 SPECIFIC MANDATE

On 2 September 2018, the Company entered into the Subscription Agreements with the Subscribers, pursuant to which the Company has conditionally agreed to issue and the Subscribers have conditionally agreed to subscribe for the Convertible Bonds in the aggregate principal amount of HK\$648 million.

The Company intends to use the net proceeds from the Subscription as to (i) approximately HK\$480 million for development the new business; (ii) approximately HK\$70 million for property investment; and (iii) approximately HK\$97 million for working capital.

A special general meeting will be convened for the purpose of considering and, if deemed appropriate, approving, among other things, the grant of the Specific Mandate, the Subscription Agreements and the transactions contemplated thereunder.

A circular containing, among other things, (i) further details of the Subscription Agreements and the Convertible Bonds; and (ii) notice convening the SGM, will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules

Completion of the Subscription Agreements is subject to the satisfaction, or waiver, of the conditions precedent therein. In addition, the Subscription Agreements may be terminated under certain circumstances. As the Subscription Agreements may or may not be completed and the issue of the Convertible Bonds may or may not proceed, Shareholders and prospective investors are reminded to exercise caution when dealing in the Shares.

On 2 September 2018, the Company entered into the Subscription Agreements with the Subscribers, pursuant to which the Company has conditionally agreed to issue and the Subscribers have conditionally agreed to subscribe for the Convertible Bonds in the aggregate principal amount of HK\$648 million.

THE SUBSCRIPTION AGREEMENTS

Date

2 September 2018

Parties

Subscription Agreement I: (1) the Company, as the issuer
(2) Charoen Pokphand Financial Investment Limited, as Subscriber I

Subscription Agreement II: (1) the Company, as the issuer
(2) Hoist Grand Holdings Limited, as Subscriber II

Subscription Agreement III: (1) the Company, as the issuer
(2) Infinite Grace Holdings Limited, as Subscriber III

Subscription Agreement IV: (1) the Company, as the issuer
(2) Mr. Xiang Hong (向宏), as Subscriber IV

Pursuant to the Subscription Agreement I, the Company has conditionally agreed to issue and the Subscriber I has conditionally agreed to subscribe for the Convertible Bonds in principal amount of HK\$243 million.

Pursuant to the Subscription Agreement II, the Company has conditionally agreed to issue and the Subscriber II has conditionally agreed to subscribe for the Convertible Bonds in principal amount of HK\$135 million.

Pursuant to the Subscription Agreement III, the Company has conditionally agreed to issue and the Subscriber III has conditionally agreed to subscribe for the Convertible Bonds in principal amount of HK\$128.79 million.

Pursuant to the Subscription Agreement IV, the Company has conditionally agreed to issue and the Subscriber IV has conditionally agreed to subscribe for the Convertible Bonds in principal amount of HK\$141.21 million. Subscriber IV may designate a company controlled by him to be the holder of the Convertible Bonds upon Completion.

Save as disclosed above, the Subscription Agreements are on principally the same terms.

To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, the Subscribers and their ultimate beneficial owners are Independent Third Parties.

Conditions precedent

Completion of the Subscription Agreements are conditional upon the fulfilment of the following:

- (i) the passing by the Shareholders of ordinary resolution(s) to approve the Subscription Agreements and the transactions contemplated thereunder and the Specific Mandate;
- (ii) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in, the Conversion Shares;
- (iii) the Company having obtained all other necessary consents and approvals required to be obtained on the part of the Company in respect of the issue of the Convertible Bonds pursuant to the Subscription Agreements; and
- (iv) in respect of each Subscription Agreement, the other Subscription Agreements' conditions precedent (except for this cross-referencing condition) having been fulfilled.

If the above conditions are not fulfilled or waived (only condition (iv) may be waived by the Company) on or before 31 December 2018 (or such other date as the Subscribers and the Company may respectively agree in writing), the Subscription Agreements shall lapse and become null and void and both the Company and the Subscribers will be released from all obligations under the Subscription Agreements (save for liabilities for any antecedent breaches thereof).

Completion

Completion shall take place within 7 days after the date of fulfillment of all the conditions precedent of the Subscription Agreements or such other date as the Subscribers and the Company may agree in writing. Completion of all the Subscription Agreements shall take place at the same time, unless the Company otherwise agrees.

Principal terms of the Convertible Bonds

Issuer: the Company

Principal amount: HK\$648 million in aggregate, of which

- (i) HK\$243 million will be subscribed by Subscriber I;
- (ii) HK\$135 million will be subscribed by Subscriber II;

(iii) HK\$128.79 million will be subscribed by Subscriber III; and

(iv) HK\$141.21 million will be subscribed by Subscriber IV.

Maturity date: The Convertible Bonds shall mature on the third anniversary of the date of issue thereof.

Interest: The Convertible Bonds shall bear interest at rate of 4% per annum from the date of issue until the maturity date, payable annually.

Conversion Price: HK\$0.27 per Conversion Share which, for the avoidance of doubt, shall be subject to the anti-dilution adjustment provided in the Convertible Bonds.

The Conversion Price represents:

- (i) a premium of approximately 1.89% to the closing price per Share of HK\$0.265 as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 6.72% to the average closing price per Share of approximately HK\$0.253 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the Last Trading Day; and
- (iii) a premium of approximately 7.57% to the average closing price per Share of approximately HK\$0.251 as quoted on the Stock Exchange for the last ten consecutive trading days immediately preceding the Last Trading Day.

The Conversion Price was determined based on arm's length negotiations between the parties with reference to the prevailing market prices of the Shares.

Adjustment to Conversion Price: The Conversion Price shall from time to time be subject to adjustment upon occurrence of certain events in relation to the Company, including but not limited to: (i) consolidation or sub-division of Shares; (ii) capitalization of profits or reserves; (iii) capital distribution; (iv) right issues of Shares or options over Shares, etc; (v) issue of convertible securities at less than prevailing market price; and (vi) issue of Shares at less than prevailing market price.

- Conversion Shares:** Based on the initial Conversion Price of HK\$0.27, a maximum number of 2.4 billion Conversion Shares will be allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds in full, which represent approximately 138% of the existing issued share capital of the Company and approximately 58% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares.
- Transferability:** The Convertible Bonds may be assigned or transferred to any transferee subject to prior notification to the Company. The Convertible Bonds may not be assigned or transferred to any connected person of the Company (as defined under the Listing Rules).
- Conversion period and restrictions:** Holders of the Convertible Bonds will have the right to convert the whole or part of the principal amount of the Convertible Bonds into Conversion Shares from the expiry of three months after of 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 (including but not limited to the obligation to pay taxes, as necessary).

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 and the holder may obtain a whitewash waiver or other waiver under the Takeovers Code, such conversion shall be deferred to such time when (i) a whitewash waiver under the Takeovers Code has been obtained; or (ii) the Company is satisfied that the conversion would not trigger a mandatory offer under rule 26 of the Takeovers Code.

Redemption: Any Convertible Bonds outstanding on the maturity date shall be redeemed at 100% of the outstanding principal amount by the Company. 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 defaults: The Convertible Bonds contain events of default provisions which provide that on the occurrence of certain events of default specified in the Convertible Bonds, each of the holders of the Convertible Bonds 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) the Company fails to pay the principal or any interest on any of the Convertible Bonds when due or commits other default, and the default continues for a period of 14 days; (iii) a serious breach under the Convertible Bonds has occurred; (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; and (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.

Ranking: The payment obligations of the Company under the Convertible Bonds shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

The Conversion Shares issued upon conversion of the Convertible Bonds will in all respects rank *pari passu* with other Shares in issue on the date of allotment and issue of such Conversion Shares.

Voting: The holders of the Convertible Bonds will not be entitled to attend or vote at any meetings of the Company by reason only of being the holders of the Convertible Bonds.

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.

Mandate to issue the Conversion Shares

The Conversion Shares will be allotted and issued pursuant to the Specific Mandate to be sought at the SGM.

INFORMATION ON THE SUBSCRIBERS

Subscriber I — Charoen Pokphand Financial Investment Limited

Mr. Tse Ping is the owner and the Director of Charoen Pokphand Financial Investment Limited. He is also the founder and the Chief Executive Officer of Sino Biopharmaceutical Limited (Stock Code: 1177). He is currently a director of CT Tianqing, NJCTT, Jiangsu CT Fenghai, Jiangsu CT Qingjiang, Qingdao CT, and Beijing Tide. He is also a director of Shanghai Fortune World Development Co., Ltd., Tianjin Chiatai Feed Tech Co., Ltd., SYN Energy Technology Co., Ltd. and Chia Tai Oversea Chinese Realty Development Co., Ltd., and a non-executive director of Tianjin Binhai Teda Logistics (Group) Corporation Limited, the shares of which are listed on GEM Board of the Stock Exchange. Mr. Tse also acts as a director of Chia Tai Qingchunbao Pharmaceutical Co., Ltd. and a council member of the Association of Pharmaceutical Biotechnology of China.

Subscriber II — Hoist Grand Holdings Limited

Hoist Grand Holdings Limited is wholly owned by Mr. Jian Wei Pei. He is a professional investor.

Subscriber III — Infinite Grace Holdings Limited

Infinite Grace Holdings Limited is wholly owned by Mrs. Zhou Yu Xuan. She is a professional investor.

Subscriber IV — Mr. Xiang Hong

Mr. Xiang Hong is currently the Director-General of Guanghua Club and the Chairman of Xizhou Capital Group, concurrently serving as the Deputy Director-General of the Belt & Road Initiative Academy the Dean of the Belt and Road Institute of Southwest

Jiaotong University, and the President of Hejun Vanguard Consulting Group. Mr. Xiang is the former CEO of Wutong Capital and the former Executive Chairman of Guangcai 49 Holding Co., Ltd., Delong Group, and Creat Group.

Mr. Xiang has more than twenty years' experience in the investment markets of China, Europe, and the United States.

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The Group is principally engaged in securities trading and investment, securities brokerage and provision of securities margin finance, property investment, loan financing services and trading and manufacturing of electronic products business.

Subject to completion of the Subscription, the aggregate gross proceeds from the Subscription shall be HK\$648 million and the aggregate net proceeds from the Subscription (after deduction of all relevant costs and expenses) are estimated to be approximately HK\$647 million.

The Company intends to use the net proceeds from the Subscription as to (i) approximately HK\$480 million for development of new business and/or expansion of investment business; (ii) approximately HK\$70 million for property investment; and (iii) approximately HK\$97 million for working capital.

The Company has been considering and exploring appropriate business development by acquisitions and/or expansion of investment business. Further to the Company's announcement dated 1 June 2018, the Company is working on its potential acquisition of 深圳小蜂信息技术有限公司 (Shenzhen Littlebee Information Technology Company Limited) or its substantive business, which company is principally engaged in blockchain technology development and application; development, sales and leasing of computer hardware and software technology; computer system integration; computer and auxiliary equipment sales; database services and database management; computer system analysis and technical services; big data technology development, artificial intelligence technology development, and other related services. The Company is also in the process of reviewing and exploring potential projects which involve the development of a petrochemical trading platform leveraging China's trade demands and the acquisition of a Shenzhen factoring company to expand the Group's loan financing services business.

The proposed property investment of HK\$70 million by the Group is in respect of a portfolio of investment properties located in Canada.

Further information of the above would be disclosed in the circular to be issued by the Company.

The Directors consider the Subscription represents an opportunity for the Company to strengthen its financial resources for developing new business and capture other business opportunities without triggering any immediate dilution effect on the shareholding of the existing Shareholders, while providing the Company with needed resources to continue with its business development plan. Accordingly, the Directors are of the view that the Subscription is in the interest of the Company and its Shareholders as a whole.

CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is 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 the exercise of the conversion rights under the Convertible Bonds in full (assuming that the Conversion Price is HK\$0.27 per Conversion Share and there is no further issue or repurchase of Shares from the date of this announcement other than the Conversion Shares).

	As at the date of announcement		Immediately after the allotment and issue of the Conversion Shares in full upon exercise of the conversion rights under the Convertible Bonds (for illustration purpose only) (Note 3)	
	Number of shares	%	Number of shares	%
China Force Enterprises Inc. (Note 1)	392,982,456	22.61	392,982,456	9.50
GCL-Poly Energy Holdings Limited (Note 2)	299,498,421	17.23	299,498,421	7.24
Chan Chunsui	205,081,508	11.80	205,081,508	4.95
Subscriber I	—	—	900,000,000	21.75
Subscriber II	—	—	500,000,000	12.08
Subscriber III	—	—	477,000,000	11.53
Subscriber IV	—	—	523,000,000	12.64
Other public Shareholders	840,396,650	48.36	840,396,650	20.31
Total	<u>1,737,959,035</u>	<u>100</u>	<u>4,137,959,035</u>	<u>100</u>

Notes:

1. The 392,982,456 shares were held by China Force Enterprises Inc., which was wholly owned by Glory Gate International Limited. Glory Gate International Limited was wholly owned by Legit Ability Limited, which in turn was wholly owned by Ms. Shen Jing who is the aunt of Mr. Wu Xiaolin, an executive director of the Company.
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).

3. This is for illustration purpose only as the exercise of the conversion rights under the Convertible Bonds is subject to restrictions as detailed under the section headed “Conversion period and restrictions” in this announcement.

FUND RAISING EXERCISE OF 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 announcements	Fund raising activities	Net proceeds	Intended use of proceeds as announced	Actual use of proceeds
7 March 2018 and 29 March 2018	Placing of 170,000,000 new Shares at HK\$0.43 per Share	Approximately HK\$70.54 million	Approximately HK\$49 million for the development of new business if opportunities arise; and the remaining HK\$21.54 million for general working capital	Approximately HK\$30 million was invested in hotel management business; approximately HK\$20 million was used as deposits regarding the possible acquisition of property investment and; approximately HK\$9.15 million was used in operating expenses of the Group. The rest of the balance not yet utilized.

SGM

A special general meeting will be convened for the purpose of considering and, if deemed appropriate, approving, among other things, the grant of the Specific Mandate, the Subscription Agreements and the transactions contemplated thereunder.

A circular containing, among other things, (i) further details of the Subscription Agreements and the Convertible Bonds; and (ii) notice convening the SGM, will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules

Completion of the Subscription Agreements is subject to the satisfaction, or waiver, of the conditions precedent therein. In addition, the Subscription Agreements may be terminated under certain circumstances. As the Subscription Agreements may or may not be completed and the issue of the Convertible Bonds may or may not proceed, Shareholders and prospective investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of Directors
“Company”	Lamtex Holdings Limited (林達控股有限公司), a limited liability company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Conversion Price”	HK\$0.27 per Conversion Share, being the price for conversion of the Convertible Bonds, which is subject to the adjustments pursuant to the terms and conditions of the Convertible Notes
“Conversion Shares”	the Shares to be issued upon the exercise of the conversion rights attaching to the Convertible Bonds
“Convertible Bonds”	the convertible bonds in the aggregate principal amount of HK\$648 million to be issued by the Company to the Subscribers pursuant to the Subscription Agreements
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“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
“Last Trading Day”	31 August 2018, being the last full trading day of the Shares on the Stock Exchange immediately prior to the publication of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China

“SGM”	the special general meeting of the Company to be convened to consider and, if though fit, approve all the transactions contemplated under the Subscription Agreements, including the issue of the Convertible Bonds and the allotment and issue of Conversion Shares under the Specific Mandate, notice of which will be contained in a circular to be despatched to the Shareholders
“Share(s)”	ordinary share(s) in the issued and unissued capital of the Company, the par value of which being of US\$0.005 each
“Shareholder(s)”	the holder(s) of Shares
“Specific Mandate”	the specific mandate to be sought from Shareholders at the SGM to approve the issue of the Convertible Bonds and the allotment of the Conversion Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber I”	Charoen Pokphand Financial Investment Limited
“Subscriber II”	Hoist Grand Holdings Limited
“Subscriber III”	Infinite Grace Holdings Limited
“Subscriber IV”	Mr. Xiang Hong (向宏)
“Subscribers”	The Subscriber I, Subscriber II, Subscriber III and Subscriber IV
“Subscription”	the subscription of Convertible Bonds by the Subscribers pursuant to the terms and conditions of the Subscription Agreements
“Subscription Agreements”	the Subscription Agreement I, Subscription Agreement II, Subscription Agreement III and Subscription Agreement IV
“Subscription Agreement I”	the conditional subscription agreement dated 2 September 2018 and entered into between the Company and the Subscriber I in relation to the subscription of the Convertible Bonds in the principal amount of HK\$243 million
“Subscription Agreement II”	the conditional subscription agreement dated 2 September 2018 and entered into between the Company and the Subscriber II in relation to the subscription of the Convertible Bonds in the principal amount of HK\$135 million

“Subscription Agreement III”	the conditional subscription agreement dated 2 September 2018 and entered into between the Company and the Subscriber III in relation to the subscription of the Convertible Bonds in the principal amount of HK\$128.79 million
“Subscription Agreement IV”	the conditional subscription agreement dated 2 September 2018 and entered into between the Company and the Subscriber IV in relation to the subscription of the Convertible Bonds in the principal amount of HK\$141.21 million
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%” or “per cent.”	percentage or per centum

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

Hong Kong, 2 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 Dr. Loke Yu (alias Loke Hoi Lam), Mr. Tse Long and Mr. Zeng Zhaolin.