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CHINA TANGSHANG HOLDINGS LIMITED

中國唐商控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 674)

AMENDMENTS TO THE TERMS AND CONDITIONS OF THE CONVERTIBLE BONDS

References are made to the announcements of China Tangshang Holdings Limited (the “**Company**”) dated 3 July 2017, 17 July 2017 and 26 July 2017 in relation to, among other things, the issuance of Convertible Bonds under the General Mandate in the principal amount of HK\$46,341,960 due 2019. As at the date of this announcement, the Convertible Bonds in the principal amount of HK\$46,341,960 remain outstanding and are held by the Bondholders, and none of the Convertible Bonds has been converted into Conversion Shares.

PROPOSED AMENDMENTS TO THE CONVERTIBLE BONDS

On 9 July 2019, the Company executed the Deed of Amendments in favour of the Bondholders to amend, subject to the approval of the Stock Exchange pursuant to Rule 28.05 of the Listing Rules, the principal term of the Convertible Bonds in relation to the maturity date and conversion period of the Convertible Bonds. According to the Deed of Amendments, the original terms and conditions of the Convertible Bonds will be amended as follows:—

- (1) the original maturity date of the Convertible Bonds shall be extended from the 2nd anniversary of the issue of the Convertible Bonds (i.e. 24 July 2019, the “**Original Maturity Date**”) to the 4th anniversary of the issue of the Convertible Bonds (i.e. 24 July 2021, the “**New Maturity Date**”); and
- (2) correspondingly, the conversion period for conversion of the Convertible Bonds will be extended to the New Maturity Date.

Save for the Proposed Amendments, all other principal terms of the Convertible Bonds as disclosed in the Convertible Bonds Announcements remain unchanged.

CONDITIONS PRECEDENT TO THE PROPOSED AMENDMENTS

The Proposed Amendments shall become effective upon the fulfilment of all of the following conditions precedent:

- (a) the Stock Exchange having approved the Deed of Amendment in accordance with Rule 28.05 of the Listing Rules;
- (b) the listing committee of the Stock Exchange having granted approval for the listing of, and permission to deal in, the Conversion Shares to be allotted and issued by the Company upon conversion of the Convertible Bonds; and
- (c) all necessary consents and approvals required to be obtained on the part of the Company and the Bondholder in respect of the Deed of Amendment having been obtained.

The Proposed Amendments shall take effect on the date when all conditions precedent above are fulfilled. If any of the conditions precedent above has not been fulfilled on or before 24 July 2019 (or such other date as may be agreed by the Company and the Bondholder(s) in writing), the Deed of Amendment shall lapse and be of no further effect and none of the parties thereto shall have any claim against or liability to the other party in respect of the Deed of Amendment save for any antecedent breach thereof and in such event, the Company will redeem the Convertible Bonds by paying the Bondholder all outstanding principal amount of the Convertible Bonds and interest accrued up to and including the original Maturity Date.

As at the date of this announcement, none of the above conditions precedent has been fulfilled.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to Rule 28.05 of the Listing Rules, any alterations in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alterations take effect automatically under the existing terms of such convertible debt securities. The Company has applied to the Stock Exchange for its approval of the Proposed Amendments pursuant to Rule 28.05 of the Listing Rules. As a result of the Proposed Amendments, a new application has also been made to the Stock Exchange for the listing of, and permission to deal in, the conversion shares to be issued upon exercise of the Convertible Bonds.

REASONS FOR AND BENEFITS OF THE PROPOSED AMENDMENTS

The Convertible Bonds will, but for the Proposed Amendments, mature on the Original Maturity Date upon which the Company would be required to deploy its cash reserves and/or other financial resources to redeem the Convertible Bonds. The Proposed Amendments in effect allow the Company to refinance its debts under the Convertible Bonds on normal commercial terms for two years, and to provide flexibility to the Company's working capital management.

In light of the above, the Directors (including the independent non-executive Directors) consider that the Proposed Amendments pursuant to the Deed of Amendments is fair and reasonable, and are in the interests of the Company and its Shareholders as a whole.

Shareholders and potential investors should note that the Deed of Amendment is conditional upon fulfilment of all conditions precedent therein. The Proposed Amendments contemplated under the Deed of Amendment may or may not materialize. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“Proposed Amendments”	the amendments to the principal term of the Convertible Bonds pursuant to the Deed of Amendments in relation to the Maturity Date and conversion period of the Convertible Bonds
“Board”	the board of Directors
“Bondholder(s)”	holder(s) of the Convertible Bonds
“Company”	China Tangshang Holdings Limited (中國唐商控股有限公司), a company incorporated in Bermuda with limited liability and whose Shares are listed on the Main Board of the Stock Exchange (Stock Code: 674)
“Convertible Bonds”	the convertible bonds in the principal amount of HK\$46,341,960 due in 2019 issued by the Company (as the issuer) to the Bondholder (as the subscribers) on 25 July 2017, further details of which are set out in the Convertible Bonds Announcements
“Convertible Bonds Announcements”	the announcements of the Company dated 3 July 2017, 17 July 2017 and 26 July 2017, in relation to, among other things, the issue of the Convertible Bonds

“Deed of Amendments”	the deed of amendments dated 9 July 2019 executed by the Company in favour of the Bondholders in relation to the Proposed Amendments
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of China
“Independent Third Party(ies)”	the third party(ies) independent of the Company and connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maturity Date”	the maturity date of the Convertible Bonds
“Share(s)”	ordinary share(s) in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By Order of the Board
China Tangshang Holdings Limited
Chen Weiwu
Chairman

Hong Kong, 9 July 2019

As at the date of this announcement, the executive Directors are Mr. Chen Weiwu (Chairman) and Mr. Zhou Houjie; and the independent non-executive Directors are Mr. Chen Youchun, Mr. Chan Chein Kwong William and Ms. Lui Mei Ka.