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China Lumena New Materials Corp.

中国旭光新材料集团有限公司

CHINA LUMENA NEW MATERIALS CORP.

(In Provisional Liquidation)

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 67)

REVISED RESTRUCTURING FRAMEWORK AGREEMENT

Financial Adviser to the Company



Reference is made to the announcement of China Lumena New Materials Corp. (In Provisional Liquidation) (the “**Company**”) dated 16 February 2017, 9 March 2017, 31 July 2017 and 16 October 2017 (the “**Announcements**”) and the application proof of the draft circular of the Company posted on the website of the Stock Exchange on 17 October 2017 (the “**Application Proof**”) in relation to the Proposed Restructuring. Capitalised terms used herein shall have the same meanings as those defined in the Announcements and the Application Proof.

THE REVISED RESTRUCTURING FRAMEWORK AGREEMENT

On 29 December 2017, the Company, the Provisional Liquidators and the Investors entered into an amendment letter (the “**Amendment Letter**”), pursuant to which the parties agreed to amend the Restructuring Framework Agreement in the form of the amended and restated Restructuring Framework Agreement (the “**Revised Restructuring Framework Agreement**”) set out in the schedule to the Amendment Letter.

The principal amendments reflected in the Revised Restructuring Framework Agreement are set out below:

(i) The Open Offer

Pursuant to the terms of the Revised Restructuring Framework Agreement, the Open Offer Price will be reduced from HK\$0.08 to HK\$0.06. The number of Offer Share to be allotted and issued (i.e. 560,385,939 Offer Shares) remains unchanged.

Subject to the Capital Reorganisation becoming effective, the Open Offer will be made to the Qualifying Shareholders on the basis of one (1) Offer Share for every one (1) Consolidated Share held on the Open Offer Record Date. A total of 560,385,939 Offer Shares will be allotted and issued by the Company to the Qualifying Shareholders and/or the Underwriter of the Open Offer at the adjusted Open Offer Price of HK\$0.06 for each Offer Share. The gross proceeds raised from the issuance of the Offer Shares will be changed from approximately HK\$44.8 million to approximately HK\$33.6 million.

(ii) The Subscription

Pursuant to the terms of the Revised Restructuring Framework Agreement, the Subscription Price will be reduced from HK\$0.08 to HK\$0.06. The number of Subscription Share to be allotted and issued (i.e. 1,120,771,878 Subscription Shares) remains unchanged.

The Company conditionally agreed to issue, and the Subscribers, who are not Shareholder(s) and are third parties independent of, and not connected with, the Company and its connected persons, and are not acting in concert with the Concert Group, will subscribe for, a total of 1,120,771,878 Subscription Shares at the Subscription Price of HK\$0.06 for each Subscription Share. The gross proceeds raised from the issuance of Subscription Shares will be changed from approximately HK\$89.7 million to approximately HK\$67.2 million.

Use of proceeds from the Open Offer and the Subscription

The gross proceeds from the Open Offer and the Subscription will amount to approximately HK\$100.8 million. HK\$90 million of such gross proceeds will be paid into the Creditors Schemes. The remaining balance of HK\$10.8 million of such gross proceeds will be used to partially settle the Company's professional fees and expenses. The remaining professional fees and expenses of the Company will be borne by the Investors.

(iii) The Acquisition

Pursuant to the terms of the Revised Restructuring Framework Agreement, the price of the Consideration Shares will be reduced from HK\$0.08 to HK\$0.06 (the "**Adjusted Consideration Price**"). The number of Consideration Share to be allotted and issued (i.e. 8,966,175,024 Consideration Shares) remains unchanged.

The Company has conditionally agreed to purchase, and the Investors have conditionally agreed to sell, the Sale Equity Interest at a total Consideration of HK\$538.0 million (the “**Adjusted Consideration**”). The Adjusted Consideration shall be satisfied by the issuance and allotment of 8,966,175,024 Consideration Shares at the Adjusted Consideration Price each upon the completion of the Acquisition.

The Adjusted Consideration and the Adjusted Consideration Price were arrived at after arm’s length negotiations between parties to the Revised Restructuring Framework Agreement and was determined by reference to (i) the unaudited combined net asset value of the Target Group as at 30 June 2017; (ii) the financial performance of the Target Group based on the unaudited financial information of the Target Group provided by the Investors; (iii) the business prospects of the Target Group; (iv) the prolonged suspension of trading of Shares of the Company; and (v) the valuation of similar listed companies in the same industry.

Save as disclosed above, the Restructuring Framework Agreement remain substantially unchanged and in full force and effect in all respects.

REASONS FOR ENTERING INTO THE REVISED RESTRUCTURING FRAMEWORK AGREEMENT

According to the Singapore Department of Statistics, the total progress payment certified in construction projects registered a decline in the first seven months in 2017 with a year-on-year decrease of approximately 18.6%. The Company, the Provisional Liquidators and the Investors, agreed to reduce the Consideration with a view to reflect the prevailing market sentiment and conditions of the constructional materials industry in Singapore and the recent financial performance of the Target Group. The parties to the Revised Restructuring Framework Agreement also consider that the reduced Adjusted Consideration price reflects the prolonged share suspension of the Company for over 3 years and 9 months and in provisional liquidation with no existing operations. In this regard, after arm’s length negotiations between the parties, it was agreed that the Adjusted Consideration be adjusted through the reduction in the Consideration Price and the number of Consideration Shares to be issued and allotted shall remain unchanged. In addition, the parties consider that the corresponding reduction in the Offer Price can potentially encourage participation by the existing shareholders in the Open Offer of the Proposed Restructuring.

CONTINUED SUSPENSION OF TRADING IN THE SHARES

Trading in the shares on the Main Board of the Stock Exchange of Hong Kong Limited has been suspended with effect from 10:56 a.m. on 25 March 2014 and will remain suspended until further notice.

Shareholders and potential investors should note that the resumption of trading in the shares of the Company on the Stock Exchange is subject to various conditions which may or may not be fulfilled. There is no guarantee that the resumption of trading in the shares of the Company on the Stock Exchange will take place. Shareholders and potential investors are reminded to exercise caution when dealing in the shares of the Company.

For and on behalf of
China Lumena New Materials Corp.
(In Provisional Liquidation)

Man Chun So

Yat Kit Jong

Simon Conway

*Joint Provisional Liquidators Acting as agents without
personal liability*

Hong Kong, 9 January 2018

As at the date of this announcement, the Board comprises three executive directors: Mr. Zhang Zhigang, Mr. Zhang Daming and Mr. Shi Jianping.

The Provisional Liquidators jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than the information relating to the Investors and the Target Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

The Investors jointly and severally accept full responsibility for the accuracy of the information relating to the Investors and the Target Group contained in this announcement (excluding the information relating to the Company) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed by the Investors in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.