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林達控股有限公司
LAMTEX HOLDINGS LTD.

STOCK CODE 股份代號1041

(Formerly known as China New Energy Power Group Limited 中國新能源動力集團有限公司)
(Incorporated in Bermuda with limited liability)
(Stock Code: 1041)

**(I) DISCLOSEABLE TRANSACTION
AND
(II) CHANGE IN USE OF PROCEEDS FROM THE 2016 SUBSCRIPTION**

I. THE DISPOSAL

On 18 April 2017 (after trading hours), the Vendor (being a wholly-owned subsidiary of the Company) and the Purchaser entered into the Disposal Agreement, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the Sale Shares and the Sale Loan at the Consideration of HK\$38,000,000.

As two of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

II. CHANGE IN USE OF PROCEEDS FROM THE 2016 SUBSCRIPTION

As disclosed in the circular of the Company dated 19 December 2016 in relation to the 2016 Subscription, the aggregate Net Proceeds from 2016 Subscription were estimated to be approximately HK\$198.68 million. The Company intended to use the Net Proceeds from 2016 Subscription as to (i) approximately HK\$100 million for financing property development project(s) in Maoming (i.e. the development of the Lands); (ii) approximately HK\$28.68 million for further developing the Company's securities business including but not limited to margin financing; and (iii) approximately HK\$70 million for further developing the Company's loan financing service. As at the date of this announcement, approximately HK\$70 million was applied in loan financing service and the remaining balance is not utilised yet.

Following the Completion, the Company intends to reallocate the Proceeds for Property Development in the amount of (i) approximately HK\$30 million for further developing the Company's securities business including but not limited to margin financing; and (ii) approximately HK\$70 million for further developing the Company's loan financing service.

I. THE DISPOSAL

The Board is pleased to announce that on 18 April 2017 (after trading hours), the Vendor (being a wholly-owned subsidiary of the Company) and the Purchaser entered into the Disposal Agreement, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the Sale Shares and the Sale Loan at the Consideration of HK\$38,000,000.

Set out below are the principal terms of the Disposal Agreement:

Date

18 April 2017 (after trading hours)

Parties involved

Vendor

Eminent Alliance Investments Limited, a wholly-owned subsidiary of the Company

Purchaser

Mr. Chan Chun Sui

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) the Purchaser and its associates are Independent Third Parties and do not hold any Shares or other convertible securities in the Company as at the date of this announcement; and (ii) there was no previous transaction or business relationship among the Company, the Purchaser and/or its associates in the previous 12 months which would result in aggregation under Rule 14.22 of the Listing Rules.

Subject matter

Pursuant to the Disposal Agreement, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the Sale Shares (representing the entire issued share capital of the Target Company) and the Sale Loan.

Upon Completion, the Target Group will cease to become a subsidiary of the Company and its financial results will no longer be consolidated into the financial results of the Group.

The Consideration

The Consideration for the Disposal is HK\$38,000,000 and shall be payable by the Purchaser by way of cash to the Vendor in the following manner:

- (i) HK\$11,400,000 is payable upon signing of the Disposal Agreement; and
- (ii) HK\$26,600,000 is payable upon Completion.

The Consideration of HK\$38,000,000 was arrived after arm's length negotiations between the Vendor and the Purchaser after taking into account of (i) the consolidated net asset value of the Target Group of approximately HK\$1.44 million as at 31 December 2016; (ii) the adjustment of the book value of the Lands of approximately HK\$27.25 million as at 31 December 2016 by the valuation of the Lands of RMB21 million (equivalent to HK\$23.73 million) as at 31 March 2017 conducted by an independent valuer using direct comparison method; and (iii) the estimated amount of the Sale Loan of approximately HK\$32.31 million.

Conditions precedent

Completion is conditional upon each of the following being satisfied:

- (i) the Vendor having obtained all necessary consents, authorisations, permissions and/or approvals in respect of the entering into of the Disposal Agreement; and
- (ii) the warranties and undertakings given by the Vendor under the Disposal Agreement remain true, complete, and not misleading.

None of the above conditions are capable of being waived. If the above conditions have not been satisfied within 15 days from the date of the Disposal Agreement, the Disposal Agreement shall cease and neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

Completion

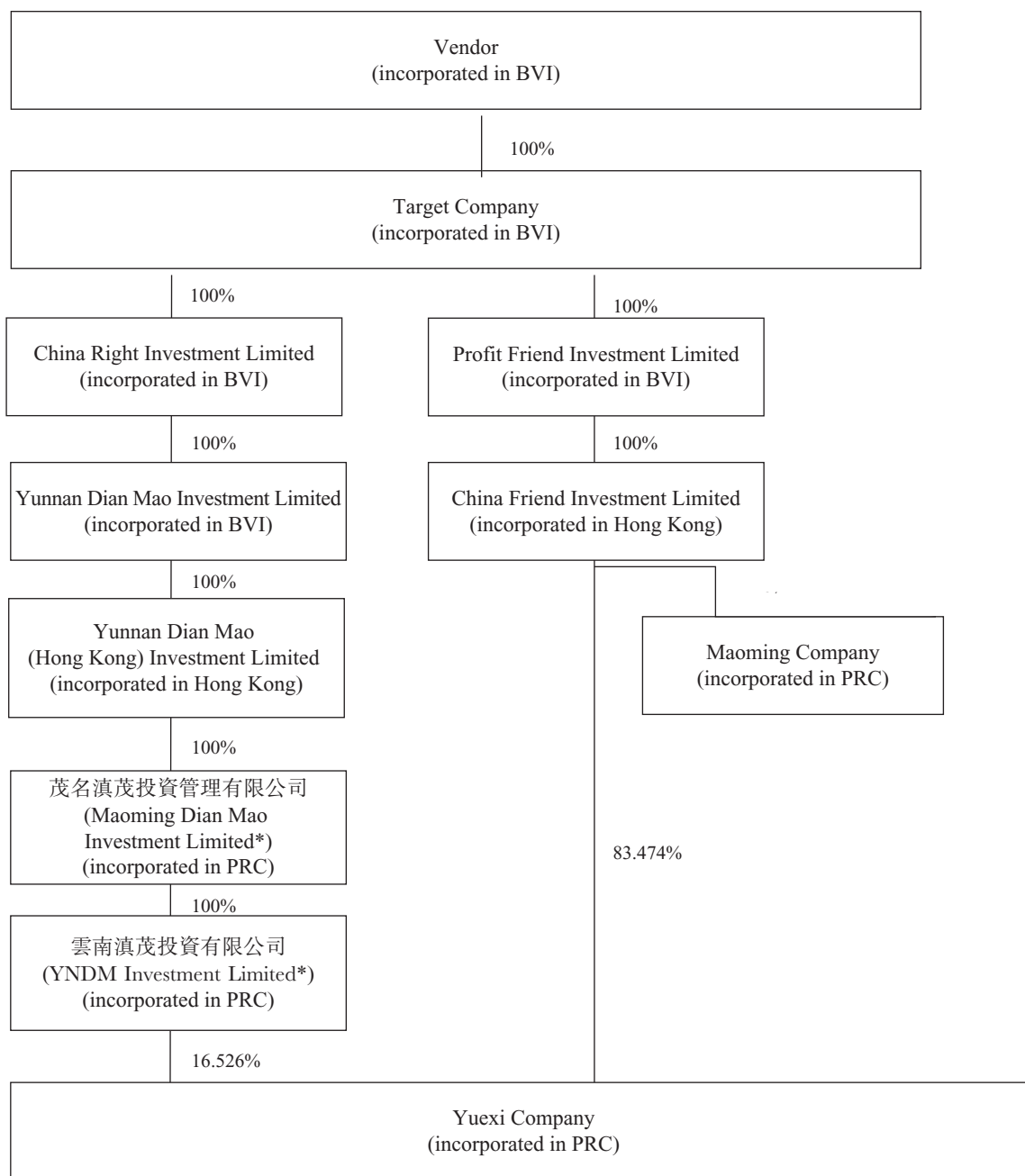
Upon compliance with or fulfilment of all the conditions set out in the condition precedents above, Completion shall take place on the Completion Date or at such other time as the Vendor and the Purchaser may agree in writing.

Information on the Target Group and the Lands

The Target Company is a company incorporated in BVI with limited liability and is an investment holding company.

Members of the Target Group includes the Target Company and its wholly-owned subsidiaries, namely, China Right Investment Limited, Yunnan Dian Mao Investment Limited, Yunnan Dian Mao (Hong Kong) Investment Limited, 茂名滇茂投資管理有限公司 (Maoming Dian Mao Investment Limited*), 雲南滇茂投資有限公司 (YNDM Investment Limited*), Yuexi Company, Profit Friend Investment Limited, China Friend Investments Limited and Maoming Company.

Set out below is the shareholding structure of the Target Group as at the date of this announcement:



As at the date of this announcement, save as the Yuexi Company and the Maoming Company, all members of the Target Group does not have material business operation.

Maoming Company is a company incorporated in the PRC with limited liability for the purpose of procurement of raw materials necessary for the potential property development on the Lands.

Yuexi Company is a company incorporated in the PRC with limited liability. Yuexi Company holds the Land Use Rights and is principally engaged in the potential property development on the Lands.

Financial information of the Target Group

Set out below is the unaudited financial information of the Target Group for the two years ended 31 December 2016 prepared in accordance with the Hong Kong Financial Reporting Standards:

	For the year ended 31 December 2016	For the year ended 31 Decemebr 2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit before tax	5,531.5	114.4
Profit after tax	3,652.4	114.4

As at 31 December 2016, the consolidated net assets value of the Target Group was HK\$1.44 million. The Target Group recorded profit before and after tax for the year ended 31 December 2016 mainly due to the fair value gain on investment properties.

Information on the Lands

The Lands include three parcels of lands, locating in Anle Village, Shuidong Town, Dianbai District (“**Dianbai**”), Maoming, Guangdong Province, the PRC, with the total site area of approximately 86,823 sq.m. (the “**Total Site Area**”). The Land Use Rights has been granted for a term of approximately 46 years expiring on 10 September 2062 for industrial use.

Yuexi Company intended to develop the Lands as a Chinese medicine port and leasing out the development for rental income. The gross floor area of the development plan based on original construction scale is approximately 146,020 sq.m. and is pending for approval from relevant local government authority of Dianbai (the “**Government**”).

Reasons for the Disposal 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 of construction materials.

In January 2017, the operating team of Yuexi Company was verbally informed by the Government that there would be a proposed road works for the construction of a new highway in Dianbai. Certain portions of the Lands with a total site area of approximately 12,025 sq.m. fall within the proposed road work scheme. The Directors understand that the approval progress of the development plan of the Lands based on Total Site Area is currently pending and there is uncertainty on the approval of the development plan based on the original construction scale, i.e. gross floor area of approximately 146,020 sq.m..

In addition, local villagers who inhabit in the area adjacent to the Lands claimed that certain portions of the Lands belonged to the villagers. Disputes arose between the villagers and Yuexi Company when Yuexi Company attempted to commence construction work on the Lands in January 2017. Yuexi Company has been liaising with the Government and understands that the Government will be responsible for settlement with the villagers as Yuexi Company legally obtained the Land Use Rights through formal procedure.

Although the Group may opt to wait for the approval of the development plan (which may be subject to adjustment) and settlement with the villagers and continue the development of the Lands, the Directors consider that the Disposal represents a good opportunity for the Company to realise the value of the Lands at a reasonable price. It is expected that the Company will record an estimated gain of approximately HK\$7.27 million (subject to final audit) from the Disposal upon Completion, being calculated based on the amount of the Consideration, the consolidated net asset value of the Target Group as at 31 December 2016, the adjustment of the book value of the Lands of approximately HK\$27.25 million as at 31 December 2016 by the valuation of the Lands of RMB21 million (equivalent to HK\$23.73 million) as at 31 March 2017; the estimated amount of the Sale Loan, the relevant expenses and transaction costs.

The net proceeds from the Disposal is expected to be approximately HK\$37.5 million. The Company intends to apply such proceeds for general working capital of the Group.

Having considered the foregoing, the Directors consider that the terms and conditions of the Disposal Agreement are on normal commercial terms and that the entering into of the Disposal Agreement is in the interests of the Company and the Shareholders as a whole.

Listing Rules Implication

As two of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

II. CHANGE IN USE OF PROCEEDS FROM THE 2016 SUBSCRIPTION

As disclosed in the circular of the Company dated 19 December 2016 in relation to the 2016 Subscription, the aggregate net proceeds from the Subscription (after deduction of all relevant costs and expenses) were estimated to be approximately HK\$198.68 million (the “**Net Proceeds from 2016 Subscription**”). The Company intended to use the Net Proceeds from 2016 Subscription as to (i) approximately HK\$100 million for financing property development project(s) in Maoming (i.e. the development of the Lands) (the “**Proceeds for Property Development**”); (ii) approximately HK\$28.68 million for further developing the Company’s securities business including but not limited to margin financing; and (iii) approximately HK\$70 million for further developing the Company’s loan financing service. As at the date of this announcement, approximately HK\$70 million was applied in loan financing service and the remaining balance is not utilised yet.

Following the Completion, the Company intends to reallocate the Proceeds for Property Development in the amount of (i) approximately HK\$30 million for further developing the Company's securities business including but not limited to margin financing; and (ii) approximately HK\$70 million for further developing the Company's loan financing service.

Save for the change in use of proceeds as disclosed above, the Company intends to allocate the remaining Net Proceeds from 2016 Subscription as originally intended.

The Directors consider that the proposed development in securities business and loan financing business are in line with the Group's development strategy and accordingly, the change in use of proceeds is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

TERMS AND DEFINITIONS

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

“2016 Subscription”	the subscription of convertible bonds as announced by the Company on 21 November 2016 and completed on 19 January 2017
“Board”	the board of Directors
“BVI”	British Virgin Islands
“Company”	Lamtex Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1041)
“Completion”	completion of the Disposal
“Completion Date”	date of the Completion
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules and the word “connected” shall be construed accordingly
“Consideration”	the consideration of HK\$38,000,000 for disposal of the Sale Shares and the Sale Loan pursuant to the Disposal Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares and the Sale Loan pursuant to the Disposal Agreement

“Disposal Agreement”	the agreement dated 18 April 2017 entered into between the Vendor and Purchaser in relation to the Disposal
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) and its/their ultimate beneficial owner(s) which are independent of the Company and its connected persons and their respective associates
“Lands”	three parcels of land located in Anle Village Shuidong Town, Dianbai District, Maoming, Guangdong Province, the PRC with a total site area of approximately 86,823 square meters
“Land Use Rights”	three sets of state-owned construction land use rights (國有建設用地使用權) certificates of the Lands for a term of 46 years
“Listing Rules”	the Rules Governing the Listing of the Securities on the Stock Exchange
“Maoming Company”	中友(茂名)貿易有限公司 (China Friend (Maoming) Trading Company Limited*, an indirect wholly-owned subsidiary of the Target Company
“PRC”	the People’s Republic of China
“Purchaser”	Mr. Chan Chun Sui
“Sale Shares”	the entire issued share capital of the Target Company
“Sale Loan”	the entire sum owing by the Target Group to the Vendor as at the Completion Date
“Share(s)”	ordinary share(s) of US\$0.005 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Cityray Investments Limited, a company incorporated in BVI with limited liability
“Target Group”	the Target Company and its subsidiaries

“US\$”	United States Dollars, the lawful currency of the United States of America
“Vendor”	Eminent Alliance Investments Limited, a company incorporated in BVI with limited liability and a wholly-owned subsidiary of the Company
“Yuexi Company”	粵西中藥產業園(茂名)開發建設有限公司(Yuexi Chinese Medicine Industrial Zone (Maoming) Development Company Limited*), an indirect wholly-owned subsidiary of the Target Company
“%”	per cent.

By order of the Board
Lamtex Holdings Limited
Wu Xiaolin
Chief Executive Officer

Hong Kong, 18 April 2017

As at the date of this announcement, the board of the Directors comprises three executive Directors, namely Mr. Wu Xiaolin (Chief Executive Officer), Mr. Wen Wenfeng and Ms. Shen Jing; two non-executive Directors, namely Mr. Lung Chee Ming George and Mr. Ye Weiming; and three independent non-executive Directors, namely Mr. Tse Long, Dr. Loke Yu (alias Loke Hoi Lam) and Mr. Zeng Zhaolin.

For the purpose of this announcement and for illustrative purpose only, RMB is converted into HK\$ at the exchange rate of RMB1:HK\$1.13. No representation is made that any amount in RMB has been or could be converted at the above rate or at any other rates.

* *for identification purpose only*