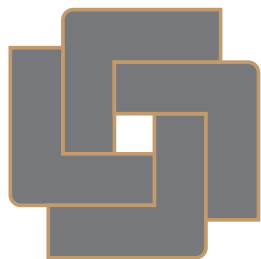


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**林達控股有限公司**  
**LAMTEX HOLDINGS LTD.**

STOCK CODE 股份代號1041

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1041)**

**DISCLOSEABLE TRANSACTION**  
**ACQUISITION OF 51% INTEREST IN TARGET COMPANY**

**THE ACQUISITION**

Reference is made to the announcement of the Company dated 20 January 2020 in relation to the proposed acquisition of the Sale Shares in the Target Company.

On 18 February 2020, after trading hours, the Purchaser, being an indirect wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendor, pursuant to which, the Purchaser has conditionally agreed to purchase the Sale Shares (representing 51% of the entire issued shares of the Target Company) and the Vendor has conditionally agreed to sell the Sale Shares at a consideration of HK\$30,000,000.

Upon Completion, the Target Company will become an indirect non wholly-owned subsidiary of the Company and the financial results, assets and liabilities of the Target Company will be consolidated into the financial statements of the Group.

**LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios in respect of the transactions contemplated under the Sale and Purchase Agreement is more than 5% but less than 25%, the entering into of the Sale and Purchase Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Board is pleased to announce that, on 18 February 2020, after trading hours, the Purchaser, being an indirect wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendor, pursuant to which, the Purchaser has conditionally agreed to purchase the Sale Shares (representing 51% of the entire issued shares of the Target Company) and the Vendor has conditionally agreed to sell the Sale Shares at a consideration of HK\$30,000,000. Set out below are the principal terms of the Sale and Purchase Agreement.

## **SALE AND PURCHASE AGREEMENT**

### **Date**

18 February 2020 (after trading hours)

### **Parties involved**

- (1) Best Mind International Group Limited, an indirect wholly-owned subsidiary of the Company as the purchaser; and
- (2) Mr. Li GuoLin as the vendor.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor is an Independent Third Party.

### **Subject matter**

Pursuant to the Sale and Purchase Agreement, the Purchaser has conditionally agreed to purchase the Sale Shares (representing 51% of the entire issued shares of the Target Company) and the Vendor has conditionally agreed to sell the Sale Shares at a consideration of HK\$30,000,000.

Upon Completion, the Target Company will become an indirect non wholly-owned subsidiary of the Company and the financial results, assets and liabilities of the Target Company will be consolidated into the financial statements of the Group.

### **Consideration**

The consideration for the sale and purchase of the Sale Shares shall be HK\$30,000,000 which shall be payable by the Purchaser to the Vendor in cash. The Purchaser has already paid HK\$5,000,000 as the initial deposit on 20 January 2020 and the Purchaser shall further pay the remaining balance of HK\$25,000,000 to the Vendor on the Completion Date.

The consideration of HK\$30,000,000 was arrived after arm's length negotiation with the Purchaser and the Vendor after taking into account, amongst other things, (i) the consolidated net asset value and total assets of the Target Company and its subsidiaries as at 31 December 2019 in the amount of HK\$17,712,864; (ii) a valuation report rendered

by an independent valuer in which the value of the Target Company was HK\$61,198,000 as at 12 February 2020; and (iii) the development and prospect of the Target Company and its subsidiaries.

The Group intends to settle the consideration through its internal resources.

### **Conditions precedent**

Completion is conditional upon the fulfilment or waiver of the conditions precedent as stated in the Sale and Purchase Agreement which include, amongst others, the following:

- (a) the Purchaser having conducted a due diligence investigation in respect of the Target Company and the Sale Shares including but not limited to the affairs, business, assets and financing structure of the Target Company and the Purchaser being satisfied with the results of the such due diligence investigation in its absolute discretion;
- (b) the Company having obtained all necessary approvals for entering into the Sale and Purchase Agreement;
- (c) the warranties given by the Vendor in the Sale and Purchase Agreement remaining true and accurate and not misleading in all respects at the date of the Sale and Purchase Agreement and up to and including the Completion Date; and
- (d) no event having occurred since the date of signing of the Sale and Purchase Agreement up till the Completion Date, the consequence of which is to materially and adversely affect the financial position, business or property, results of operations or business prospects of the Target Company and such material adverse effect not having been caused as at Completion.

The Purchaser may in its absolute discretion waive any conditions precedent or any part of a condition precedent (other than the condition precedent referred to in (b) above). If not all of the conditions precedent are fulfilled (or waived by the Purchaser) by the Long Stop Date, either the Purchaser or the Vendor may serve a written notice to the other party within 7 Business Days of the Long Stop Date to terminate the Sale and Purchase Agreement. Upon termination, each party shall not have any obligations and liabilities towards each other thereunder subject to the terms and conditions of the Sale and Purchase Agreement and the Vendor shall refund the initial deposit of HK\$5,000,000 (without interest) to the Purchaser within 5 Business Days upon the termination of the Sale and Purchase Agreement.

## **Completion**

Upon the fulfilment or waiver (as the case may be) of the conditions precedent, Completion shall take place on the Completion Date or at such other time as the Vendor and the Purchaser may agree in writing. Upon Completion, the Vendor shall remain as a director of the Target Company while the Purchaser may nominate one person to the board of directors of the Target Company.

## **Pre Completion Undertakings**

The Vendor has agreed to give certain customary pre-completion undertakings in relation to the state of affairs of the Target Company for agreement of similar nature and size in the Sale and Purchase Agreement.

## **Profit Guarantee**

The Vendor has undertaken that for the three years ending 31 December 2020, 31 December 2021 and 31 December 2022, the consolidated net profits of the Target Company and its subsidiaries shall not be less than HK\$7,000,000, HK\$12,000,000 and HK\$18,000,000 respectively. In the event that any one of those performance targets could not be met, the Vendor has undertaken to pay such difference in cash to the Purchaser.

## **INFORMATION OF THE PURCHASER**

The Purchaser is a company incorporated in the British Virgin Islands with limited liability and is an indirect wholly-owned subsidiary of the Company as at the date of this announcement.

## **INFORMATION OF THE VENDOR**

The Vendor has been in the business of trading of metals for over 30 years in the PRC and is a prominent figure in the metal trading market. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor is an Independent Third Party.

## **INFORMATION OF THE TARGET COMPANY**

The Target Company is a company incorporated in the British Virgin Islands with limited liability. As at the date of this announcement, the entire issued shares of the Target Company are legally and beneficially owned by the Vendor. The principal business of the Target Company is investment holding. The Target Company holds an indirect wholly-owned subsidiary which operates the trading of metals (including import and export) in the PRC.

Set out below is the unaudited financial statements of Target Company for period from 16 September 2019 (being the date of incorporation of the Target Company) to 31 December 2019:

**For the period from  
16 September 2019  
(date of incorporation)  
to 31 December 2019  
(HK\$)**

Profit before tax	6,656,890.48
Profit after tax	5,695,908.00

As at 31 December 2019, the unaudited net asset value of the Target Company was approximately HK\$13,900,000. In addition, the net profits of the operating subsidiaries of the Target Company were HK\$(2,152,389.02) (*net loss*) and HK\$5,695,908.00 for the two years ended 31 December 2018 and 31 December 2019 respectively.

## **REASONS FOR THE ACQUISITION**

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

The Board is of the view that by entering into the Sale and Purchase Agreement, the financial results, assets and liabilities of the Target Company will be consolidated into the financial statements of the Group and in the meantime, the Company would be able to expand its business segments and income streams which will generate a stable income, allowing the Company to further enhance its financial position and bring long term value to the Company and return to the Company's shareholders. With the assistance of the Vendor and his expertise, the Board is confident that this new business stream will be able to deliver a promising return in the near future given the strong track record performance of the group of companies held by the Target Company. The Board is also of the view by acquiring the Sale Shares and retaining the Vendor as a director in the Target Company upon Completion, the Group may build a solid foundation for any future cooperation with the Vendor and develop this new business stream jointly with the Vendor.

The Directors (including the independent non-executive Directors) consider that the terms of the Sale and Purchase Agreement are fair and reasonable and on normal commercial terms and that the entering into of the Sale and Purchase Agreement is in the interests of the Company and its Shareholders as a whole.

## LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios in respect of the transactions contemplated under the Sale and Purchase Agreement is more than 5% but less than 25%, the entering into of the Sale and Purchase Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

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

“Acquisition”	the sale and purchase of the Sale Shares between the Purchaser and the Vendor pursuant to the terms and conditions of the Sale and Purchase Agreement and the transactions contemplated thereunder;
“Board”	board of Directors;
“Business Day(s)”	a day (other than a Saturday) on which banks in Hong Kong are generally opened for business
“Company”	Lamtex Holdings Limited (林達控股有限公司), 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 Acquisition;
“Completion Date”	within 5 Business Days after the conditions precedent have been fulfilled or waived (as the case may be) (or such other date as the Vendor and the Purchaser may agree in writing);
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules and the word “connected” shall be construed accordingly;
“Director(s)”	the director(s) 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 the People’s Republic of China;
“Independent Third Party(ies)”	any entity or person who is not a connected person of the Company within the meaning ascribed thereto under the Listing Rules;

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Long Stop Date”	30 June 2020, or such other date as may be agreed in writing between the Vendor and the Purchaser in writing;
“PRC”	The People’s Republic of China;
“Purchaser”	Best Mind International Group Limited (佳智國際集團有限公司), an indirect wholly-owned subsidiary of the Company;
“Sale and Purchase Agreement”	a sale and purchase agreement dated 18 February 2020 entered into between the Purchaser and Vendor in relation to the Acquisition;
“Sale Shares”	51 ordinary shares of the Target Company, representing 51% of the entire issued shares of the Target Company;
“Share(s)”	ordinary share(s) of US\$0.005 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company”	Ambre Investing Inc., a company incorporated in the British Virgin Islands with limited liability whose entire issued shares are legally and beneficially owned by the Vendor as at the date of this announcement;
“Vendor”	Mr. Li GuoLin (李國林), an Independent Third Party;
“%”	per cent.

By order of the Board  
**Lamtex Holdings Limited**  
**Wu Xiaolin**  
*Executive Director*

Hong Kong, 18 February 2020

*As at the date of this announcement, the Board comprises four Executive Directors, namely, Mr. Tse Ping (Chairman), Mr. Wu Xiaolin, Mr. Pan Xian and Mr. Wong Man Keung (Chief Executive Officer); three Non-Executive Directors, namely Ms. Zang Yanxia, Mr. Liu Zhanqing and Mr. Xiao Shen; and four Independent Non-Executive Directors, namely Mr. Zeng Zhaolin, Dr. Loke Yu (alias Loke Hoi Lam), Mr. Tse Long and Mr. Li Changhui.*