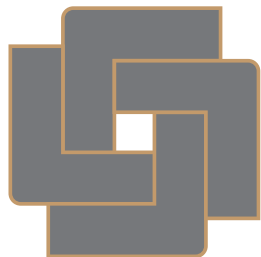


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林達控股有限公司  
LAMTEX HOLDINGS LTD.

STOCK CODE 股份代號1041

(Incorporated in Bermuda with limited liability)  
(Stock Code: 1041)

**INTERIM RESULTS ANNOUNCEMENT  
FOR THE SIX MONTHS ENDED 30 JUNE 2017**

The board of directors (the “Board”) of Lamtex Holdings Limited (the “Company”) is pleased to present the unaudited condensed consolidated results of the Company, together with its subsidiaries (the “Group”) for the six months ended 30 June 2017, together with the comparative figures for the corresponding period in 2016 as follows:

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

*For the six months ended 30 June 2017*

	Notes	Six months ended 30 June	
		2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
Revenue	5	17,361	(119,880)
Cost of inventories sold		–	(380)
Other income		215	15
Depreciation		(756)	(895)
Staff costs		(5,420)	(5,178)
Rental and related expenses		(1,021)	(2,384)
Other expenses		(5,514)	(9,263)
<b>Profit/(loss) from operations</b>		<b>4,865</b>	<b>(137,965)</b>
Gain on disposal of subsidiaries	15	3,187	–
Net fair value loss on convertible bond	14	(901)	–
<b>Profit/(loss) before tax</b>		<b>7,151</b>	<b>(137,965)</b>
Income tax expense	6	(1,793)	(379)
<b>Profit/(loss) for the period attributable to owners of the Company</b>	7	<b>5,358</b>	<b>(138,344)</b>

		<b>Six months ended 30 June</b>	
		<b>2017</b>	<b>2016</b>
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Other comprehensive income:</b>			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		<b>2,402</b>	<b>57</b>
Exchange differences reclassified to profit or loss upon disposal of subsidiaries		<b>1,538</b>	<b>–</b>
		<hr/>	<hr/>
Other comprehensive income for the period, net of tax		<b>3,940</b>	<b>57</b>
		<hr/>	<hr/>
<b>Total comprehensive income/(loss) for the period attributable to owners of the Company</b>		<b>9,298</b>	<b>(138,287)</b>
		<hr/> <hr/>	<hr/> <hr/>
<b>Earnings/(loss) per share</b>	<b>9</b>		
Basic (cents per share)		<b>0.63</b>	<b>(20.02)</b>
		<hr/> <hr/>	<hr/> <hr/>
Diluted (cents per share)		<b>N/A</b>	<b>N/A</b>
		<hr/> <hr/>	<hr/> <hr/>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2017

	<i>Notes</i>	At <b>30 June 2017</b> <i>HK\$'000</i> (Unaudited)	At 31 December 2016 <i>HK\$'000</i> (Audited)
<b>Non-current assets</b>			
Property, plant and equipment	<i>10</i>	<b>16,590</b>	18,417
Investment properties		<b>79,984</b>	100,946
Intangible asset		<b>1,000</b>	1,000
Goodwill		<b>4,137</b>	4,137
Other assets		<b>400</b>	400
		<b>102,111</b>	124,900
<b>Current assets</b>			
Trade and interest receivables	<i>11</i>	<b>11,204</b>	18,661
Loans receivables	<i>12</i>	<b>337,925</b>	161,700
Prepayments, deposits and other receivables		<b>2,935</b>	4,197
Financial assets at fair value through profit or loss		<b>19,182</b>	–
Bank balances held on behalf of clients		<b>37,239</b>	35,326
Bank and cash balances		<b>93,283</b>	41,434
		<b>501,768</b>	261,318
<b>Current liabilities</b>			
Trade payables	<i>13</i>	<b>41,514</b>	40,189
Other payables and accruals		<b>1,243</b>	2,601
Tax payable		<b>1,937</b>	148
		<b>44,694</b>	42,938
<b>Net current assets</b>		<b>457,074</b>	218,380
<b>Total assets less current liabilities</b>		<b>559,185</b>	343,280
<b>Non-current liabilities</b>			
Convertible bond	<i>14</i>	<b>200,000</b>	–
Deferred tax liabilities		<b>165</b>	1,960
		<b>200,165</b>	1,960
<b>NET ASSETS</b>		<b>359,020</b>	341,320
<b>Capital and reserves</b>			
Share capital	<i>16</i>	<b>33,562</b>	32,430
Reserves		<b>325,458</b>	308,890
<b>TOTAL EQUITY</b>		<b>359,020</b>	341,320

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 June 2017*

## 1. GENERAL INFORMATION

Lamtex Holdings Limited (the “Company”) is a limited liability company incorporated in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The address of its principal place of business is Room 1814-1815, 18/F, Star House, 3 Salisbury Road, Tsim Sha Tsui, Kowloon, Hong Kong. The Company’s shares are listed on The Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The principal activities of the Group are provision of management services, securities trading and investment, loan financing services, property investment and securities brokerage and provision of securities margin finance.

## 2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information (the “Interim Financial Statements”) have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” (the “HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

The Interim Financial Statements do not include all the information and disclosures required in a full set of financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2016 (“2016 Annual Report”).

The preparation of an Interim Financial Statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

The accounting policies adopted in the preparation of the Interim Financial Statements are consistent with those followed in the preparation of 2016 Annual Report.

## 3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (the “HKFRSs”) issued by the HKICPA that are relevant to its operations and effective for its accounting period beginning on 1 January 2017. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards (the “HKAS”); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the current and prior periods.

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

#### 4. FAIR VALUE MEASUREMENTS

The carrying amounts of the Group's financial assets and financial liabilities are reflected in the condensed consolidated statement of financial position approximates their respective fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categories into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

##### (a) Disclosures of level in fair value hierarchy at 30 June 2017:

Description	Fair value measurements as at 30 June 2017 using:			Total 2017
	Level 1 HK\$'000 (Unaudited)	Level 2 HK\$'000 (Unaudited)	Level 3 HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
<b>Recurring fair value measurements:</b>				
Financial assets at fair value through profit or loss				
Listed securities in Hong Kong	19,182	–	–	19,182
Investment properties				
Commercial – PRC	–	79,984	–	79,984
Financial liabilities at fair value through profit or loss				
Convertible bond	–	200,000	–	200,000
<b>Total recurring fair value measurements</b>	<b>19,182</b>	<b>279,984</b>	<b>–</b>	<b>299,166</b>
Fair value measurements as at 31 December 2016 using:				
	Level 1 HK\$'000 (Audited)	Level 2 HK\$'000 (Audited)	Level 3 HK\$'000 (Audited)	Total 2016 HK\$'000 (Audited)
Description				
<b>Recurring fair value measurements:</b>				
Investment properties				
Commercial -PRC	–	100,946	–	100,946
<b>Total recurring fair value measurements</b>	<b>–</b>	<b>100,946</b>	<b>–</b>	<b>100,946</b>

During the period, there were no transfer between Level 1 and Level 2, or transfers into or out of Level 3 (2016: nil). The Group's policy is to recognise transfer between levels of fair value hierarchy as at the end of the reporting period in which they occur.

**(b) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 30 June 2017:**

The Group's financial controller is responsible for the fair value measurements of assets and liabilities required for financial reporting purpose, including level 3 fair value measurements. The financial controller reports directly to the Board of Directors for these fair value measurements. Discussions of valuation processes and results are held between the financial controller and the Board of Directors at least twice a year.

For level 3 fair value measurements, the Group will normally engage external valuation experts with the recognised professional qualifications and recent experience to perform the valuations.

**Level 2 fair value measurements**

Description	Valuation technique	Inputs	Fair value as at 30 June 2017 <i>HK\$'000</i>
Convertible bond	Binomial model	Share price Discount rate Volatility Conversion price	200,000

**5. REVENUE AND SEGMENT INFORMATION**

The Group's operation are organised based on five business activities which are also the information regularly reported to chief operating decision maker ("CODM"). The details of operating and reportable segments of the Group are as follows:

- (i) Securities trading and investment – purchase and sale of securities and securities investment
- (ii) Securities brokerage and provision of securities margin finance
- (iii) Property investment – generation of rental income
- (iv) Loan financing services – provision of funds and financial services to third parties
- (v) Trading of construction materials.

The operation of trading of construction materials was disposed from the Group during the current interim period.

The operation of loan financing services and securities brokerage and provision of securities margin finance were introduced to the Group during the year ended 31 December 2016.

The following is an analysis of the Group's revenue, results, assets and liabilities by reportable segments:

	Securities trading and investment <i>HKS'000</i> (Unaudited)	Securities brokerage and provision of securities margin finance <i>HKS'000</i> (Unaudited)	Property investment <i>HKS'000</i> (Unaudited)	Loan financing services <i>HKS'000</i> (Unaudited)	Trading of construction materials and others <i>HKS'000</i> (Unaudited)	Total <i>HKS'000</i> (Unaudited)
<b>Six months ended 30 June 2017</b>						
Segment revenue						
Revenue from external customers	<u>(601)</u>	<u>1,949</u>	<u>1,193</u>	<u>14,820</u>	<u>–</u>	<u>17,361</u>
Segment result	<u>(605)</u>	<u>(1,755)</u>	<u>659</u>	<u>10,865</u>	<u>(55)</u>	<u>9,109</u>
<b>As at 30 June 2017 (Unaudited)</b>						
Segment assets	–	25,304	81,139	342,252	–	448,695
Segment liabilities	<u>–</u>	<u>41,514</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>41,514</u>
<b>Six months ended 30 June 2016</b>						
Segment revenue						
Revenue from external customers	<u>(124,356)</u>	<u>815</u>	<u>872</u>	<u>2,402</u>	<u>387</u>	<u>(119,880)</u>
Segment result	<u>(124,596)</u>	<u>(1,414)</u>	<u>(41)</u>	<u>1,920</u>	<u>(157)</u>	<u>(124,288)</u>
<b>As at 31 December 2016 (Audited)</b>						
Segment assets	96	56,977	104,407	167,293	6,203	334,876
Segment liabilities	<u>–</u>	<u>40,876</u>	<u>3,062</u>	<u>148</u>	<u>208</u>	<u>44,294</u>

**Reconciliations of segment profit or loss:**

	<b>Six months ended 30 June</b>	
	<b>2017</b>	<b>2016</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Total profit or (loss) of reportable segments	<b>9,109</b>	(124,288)
Unallocated corporate income	<b>215</b>	15
Net fair value loss on convertible bond	<b>(901)</b>	–
Unallocated corporate expenses	<b>(1,272)</b>	(13,692)
	<u><b>7,151</b></u>	<u>(137,965)</u>
Consolidated profit or (loss) before tax	<u><b>7,151</b></u>	<u>(137,965)</u>

The accounting policies of the reportable and operating segment are the same as the Group's accounting policies. Segment result represent profit/(loss) from each segment without allocation of central administrative costs, directors' remuneration and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

The Group's unallocated corporate assets at the end of the reporting period mainly consist of property, plant and equipment, deposits and prepayments and bank balances and cash. The Group's unallocated corporate liabilities at the end of the reporting period consists other payables and accruals.

**6. INCOME TAX EXPENSE**

	<b>Six months ended 30 June</b>	
	<b>2017</b>	<b>2016</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Current tax:		
– Hong Kong Profits Tax	<u><b>1,793</b></u>	<u>379</u>

Hong Kong Profits Tax has been provided at a rate of 16.5% (six months ended 30 June 2016: 16.5%) on the estimated assessable profits for the six months ended 30 June 2017.

No provision for the People's Republic of China (the "PRC") Enterprise Income Tax made as the subsidiaries operating in the PRC have no assessable profits for both periods.



## 7. PROFIT/(LOSS) FOR THE PERIOD

The Group's profit/(loss) for the period is arrived at after charging/ (crediting):

	Six months ended 30 June	
	2017	2016
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Cost of inventories sold	–	380
Directors' emoluments	1,775	2,135
Staff costs (including directors' remuneration):		
Salaries, bonus and allowances	5,250	5,015
Retirement benefits scheme contributions	170	163
	<u>5,420</u>	<u>5,178</u>
Depreciation of property, plant and equipment	756	895
Written off on property, plant and equipment	–	763
Gain on disposal of property, plant and equipment	–	(311)
	<u>–</u>	<u>–</u>

## 8. INTERIM DIVIDEND

The Board do not recommend the payment of an interim dividend for the six months ended 30 June 2017 (six months ended 30 June 2016: nil).

## 9. EARNINGS/(LOSS) PER SHARE

### *Basic earnings/(loss) per share*

The calculation of basic earnings per share attributable to owners of the Company is based on the profit for the period attributable to owners of the Company of approximately HK\$5,358,000 (loss for the six months ended 30 June 2016: approximately HK\$138,344,000) and the weighted average number of 853,704,429 (six months ended 30 June 2016: 690,945,090) ordinary shares in issue during the period.

### *Diluted earnings/(loss) per share*

The effects of all potential ordinary shares are anti-dilutive for the period ended 30 June 2017 and 2016.

## 10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2017, property, plant and equipment of approximately HK\$71,000 was acquired by the Group (six months ended 30 June 2016: HK\$5,555,000).

## 11. TRADE AND INTEREST RECEIVABLES

	<b>30 June 2017 HK\$'000 (Unaudited)</b>	31 December 2016 HK\$'000 (Audited)
Trade receivables		
Cash clients	3,410	5,429
Margin clients	662	8,187
Clearing houses	2,142	1,165
Trade receivables – trading	1,154	1,678
Interest receivables	4,328	2,694
Less: allowance for doubtful debts	(492)	(492)
	<u>11,204</u>	<u>18,661</u>

All trade receivable from cash clients and margin clients are not past due at the reporting dates for which the management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are considered fully recoverable. The settlement terms of trade receivables arising from the business of dealing in securities are two days after trade date. No aging analysis is disclosed as in the opinion of the directors of the Group, the aging analysis does not give additional value in view of the nature of business of the Group.

As at 30 June 2017, the trade receivables for trading of construction material segment were nil (31 December 2016: approximately HK\$1,678,000). Based on invoice date, all its trade receivables were within 30 days. The Group allows an average credit period of 30 days to its trade customers.

## 12. LOANS RECEIVABLES

	<b>30 June 2017 HK\$'000 (Unaudited)</b>	31 December 2016 HK\$'000 (Audited)
Loans receivables	<u>337,925</u>	<u>161,700</u>

The fixed-rate loans receivables of approximately HK\$337,925,000 under the Group's loan financing services operation as at 30 June 2017 (31 December 2016: HK\$161,700,000) represent loans advanced to 27 independent third parties (31 December 2016 : 14). The interest rates for the loans receivables were ranging from 8% to 15% (31 December 2016: 8% to 16%) per annum.

The loans made available to customers depend on management's assessment of credit risk on the customers by evaluation on background check and repayment abilities. The Group determines the allowance of impaired debts based on the evaluation of collectability and aged analysis of accounts and on the management's judgments, including assessment of change of credit quality and the past collection history of each customer. There are approximately no loans receivables which were past due at the end of reporting periods and the Directors consider that no impairment was necessary.

### 13. TRADE PAYABLES

	<b>30 June 2017 HK\$'000 (Unaudited)</b>	31 December 2016 HK\$'000 (Audited)
Cash clients	6,946	6,429
Margin clients	31,499	28,250
Clearing houses	3,069	5,510
	<u>41,514</u>	<u>40,189</u>

The trade payable balances are repayable on demand except where certain trade payables to clients represent margin deposits received from clients for their trading activities under normal course of business. Only the excess amounts over the required margin deposits stipulated are repayable on demand. No aging analysis is disclosed as in the opinion of the directors of the Group, the aging analysis does not give additional value in view of the nature of business of the Group.

### 14. CONVERTIBLE BOND

On 19 January 2017, the convertible bond with the nominal value of HK\$200,000,000 (the “Convertible Bond”) was issued to China Force Enterprises Inc., a company incorporated in British Virgin Islands and controlled by Ms. Shen Jing, a substantial shareholder and a former director of the Company, who resigned with effect from 19 April 2017.

The Convertible Bond is convertible to ordinary shares of the Company at any time between the date of issue of the Convertible Bond and the trading day immediately after the first issue of the Convertible Bond (“Maturity Date”). The Convertible Bond will be convertible to maximum 701,754,385 ordinary shares of US\$0.005 each per HK\$0.285 conversion share upon the issuance of Convertible Bond.

The Company may at any time prior to the Maturity Date and from time to time redeem the Convertible Bond at 100% of the outstanding principal amount (in whole or in part) in cash by serving at least 30 business days’ prior written notice on the bondholder with the total amount proposed to be redeemed from the bondholder specified therein. If the bondholder issues a conversion notice on the same date as the Company issues an early redemption notice, the Company shall have the right to elect whether the early redemption notice or the conversion notice prevails.

If the Convertible Bond has not been converted or early redeemed, they will be redeemed at par on the Maturity Date. Interest of 2 per cent per annum will be paid quarterly up until the Maturity Date.

The movements of the Group’s Convertible Bond during the six months ended 30 June 2017 are as follows:

	<b>30 June 2017 HK\$'000 (Unaudited)</b>
Principal value of convertible bond issued	200,000
Arrangement fee	(901)
Fair value gain upon issuance of convertible bond	(3,962)
Fair value loss on convertible bond	4,863
	<u>200,000</u>

## 15. DISPOSAL OF SUBSIDIARIES

Pursuant to an agreement dated 18 April 2017 entered into between a subsidiary of the Company, Eminent Alliance Investments Limited (“Eminent Alliance”) and an independent third party (the “Purchaser”), Eminent Alliance disposed of its entire interest in a subsidiary, Cityray Investments Limited (the “Disposed Company”) and its subsidiaries (collectively referred as the “Disposal Group”) to the Purchaser at a cash consideration of HK\$38,000,000 (the “Disposal”). The Disposal resulted a gain on disposal of subsidiaries of approximately HK\$3,187,000. Further details of the Disposal were published in the related announcement of the Company dated 18 April 2017.

The Disposal Company was principally engaged in investment holding and the Disposal Group was principally engaged in trading of construction materials, property investment and investments holding during the period. The disposal was completed on 9 May 2017 and the Group discontinued its trading of construction materials business.

	<i>HK\$'000</i>
<i>Net assets of the Disposal Group disposed of:</i>	
Property, plant and equipment	1,153
Investment properties	29,887
Trade and other receivables	1,569
Inventories	450
Cash and cash equivalents	1,814
Accruals and other payables	217
Deferred tax liabilities	(1,815)
	<hr/>
Net assets disposed of	33,275
Release of foreign currency translation reserve	1,538
Gain on disposal of subsidiaries	3,187
	<hr/>
Total consideration – satisfied by cash	<u><u>38,000</u></u>
<i>Analysis of net outflow of cash and cash equivalent</i>	
<i>in respect of disposal of subsidiaries:</i>	
Consideration received in cash and cash equivalents	38,000
Bank and cash balances disposed of	(1,814)
	<hr/>
	<u><u>36,186</u></u>

## 16. SHARE CAPITAL

	<b>Number of ordinary shares (‘000)</b>	<b>Amount US\$‘000</b>	<b>Amount HK\$‘000</b>
<b>Authorised:</b>			
At 31 December 2016, 1 January 2017 and 30 June 2017 (US\$0.005 each)	<u>20,000,000</u>	<u>100,000</u>	<u>775,000</u>
<b>Issued and fully paid:</b>			
At 31 December 2016 (US\$0.005 each)	836,915	4,185	32,430
Exercise of share options	<u>29,290</u>	<u>146</u>	<u>1,132</u>
At 30 June 2017	<u>866,205</u>	<u>4,331</u>	<u>33,562</u>

## 17. CONTINGENT LIABILITIES

At the end of the reporting period, the Group and the Company did not have any significant contingent liabilities (31 December 2016: nil).

## 18. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these financial statements, and the remuneration paid to the key management personnel, the directors of the Company, the Group had no other transactions and balances with its related parties during the period ended 30 June 2017.

## 19. EVENTS AFTER THE REPORTING PERIOD

Subsequent to end of the reporting period, on 11 July 2017, convertible bond with nominal value of HK\$42,000,000 were converted into 147,368,421 ordinary shares with conversion price of HK\$0.285 per share.

## 20. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 17 August 2017.

## INTERIM DIVIDEND

The Board did not recommend the payment of interim dividend in respect of the six months ended 30 June 2017 (six months ended 30 June 2016: Nil). Accordingly, no closure of register of members of the Company is proposed.

## FUND RAISING ACTIVITIES

In order to increase our capital to grow our existing and new businesses, the Company has completed the issuance of convertible bonds in January 2017 (the issue of up to maximum of 701,754,385 conversion shares under the Specific Mandate). The major part of the net proceeds from the fund raising activities are used in developing the Group's securities business and loan financing service business.

On 19 January 2017, the Company completed the issue of convertible bond in principal amount of HK\$200,000,000 pursuant to the specific mandate granted to the directors of the Company at the special general meeting held on 9 January 2017 at a conversion price of HK\$0.285 each.

The net proceeds of the Subscription are intended to be used as working capital for existing business and for development of new business.

## USE OF PROCEEDS

The Company has conducted the following equity fund raising activities during the period ended 30 June 2016 and subsequent to end of the reporting period up to the date of this announcement:

<b>Date of announcement</b>	<b>Fund raising activity</b>	<b>Net proceeds raised</b>	<b>Intended use of net proceeds</b>	<b>Actual use of net proceeds</b>
19 January 2017	Allotment and issue of 701,754,385 conversion shares	Approximately HK\$198.68 million	(i) Approximately HK\$100 million for financing property development in Maoming the PRC. (Due to the disposal of Maoming lands with reference to the announcement of the Company dated 18 April 2017, there was change in the use of the net proceeds. The Company intends to reallocate the proceeds for property development in Maoming 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); (ii) approximately HK\$28.68 million for further developing the company securities business including but not limited to margin financing; and (iii) approximately HK\$70 million for further developing its loan financing service.	(i) Approximately HK\$137million was used in developing its loan financing service; and (ii) Approximately HK\$58.68million was not yet utilized in its securities business including but not limited to margin financing.

## MANAGEMENT DISCUSSION AND ANALYSIS FINANCIAL RESULTS

### Revenue

This represented gain/(loss) on disposal of financial assets at fair value through profit or loss, net fair value change on financial assets at fair value through profit or loss, securities brokerage service income, loan interest income and rental income.

### Segmental Results

#### *Securities trading and investment business*

The negative revenue generated from the operation in securities trading and investment for the reporting period was approximately HK\$0.60 million (six months ended 30 June 2016: approximately HK\$124.36 million) and its segmental result reflected a loss of approximately HK\$0.61 million (six months ended 30 June 2016: loss of approximately HK\$124.59 million).

#### *Property investment business*

Approximately HK\$1.19 million was generated from the Group's property business for the reporting period (six months ended 30 June 2016: approximately HK\$0.87 million) and its segmental result recorded a gain of approximately HK\$0.66 million (six months ended 30 June 2016: loss of approximately HK\$0.04 million).

#### *Loan financing services business*

Approximately HK\$14.82 million was generated from the Group's loan financing services business for the reporting period (six months ended 30 June 2016: approximately HK\$2.40 million) and its segmental result recorded a gain of approximately HK\$10.87 million (six months ended 30 June 2016: gain of approximately HK\$1.92 million).

#### *Securities brokerage and provision of securities margin finance business*

Approximately HK\$1.95 million was generated from the Group's stock broking business for the reporting period (six months ended 30 June 2016: approximately HK\$0.82 million) and its segmental result suffered a loss of approximately HK\$1.76 million (six months ended 30 June 2016: loss of approximately HK\$1.41 million).

#### **Trading of construction materials and others**

No revenue was recorded from construction material trading business (six months ended 30 June 2016: approximately HK\$0.38 million).

## **Other Income**

The Group's other income for the reporting period was increased to approximately HK\$0.22 million from approximately HK\$0.02 million for the corresponding period in 2016.

## **Staff costs**

The Group's staff costs for the reporting period was slightly increased to approximately HK\$5.42 million from approximately HK\$5.18 million in the corresponding period in 2016.

## **Other Expenses**

The Group's other expenses for the reporting period was reduced to approximately HK\$5.51 million from approximately HK\$9.26 million in the corresponding period in 2016. The decrease was mainly due to (i) significant decrease in legal and professional fee; (ii) significant decrease in net exchange difference.

## **Profit for the Period and Earnings Per Share**

The Group's profit attributable to owners of the Company for the reporting period was approximately HK\$5.36 million (six months ended 30 June 2016: loss of approximately HK\$138.34 million). It was mainly contributed by (i) profit generated from loan financing services of approximately HK\$10.87 million; (ii) gain on disposal of subsidiaries of approximately HK\$3.19 million; (iii) significant reduction in the net fair value loss on financial assets at fair value through profit or loss, loss on disposal of financial assets at fair value through profit or loss. Basic earnings per share of the Group was HK\$0.63 cents per share for the six months ended 30 June 2017 (six months ended 30 June 2016: loss per share HK20.02 cents per share).

## **BUSINESS REVIEW**

During the period under review, the businesses and operations of the Group were mainly on securities trading and investment business, securities brokerage and provision of securities margin finance business, property investment business and loan financing services business.

In order to strengthen the capital base to grow the new and existing businesses of the Group, the Company has successfully completed the issue of convertible bonds of principal amount of HK\$200,000,000 at a conversion price of HK\$0.285 with net proceeds of approximately HK\$198.68 million on 19 January 2017. With the strengthened financial position, the Group will deploy more resources and take appropriate strategy to expand the existing businesses and development of new business. The Group will cautiously search for investment opportunities so as to produce a steady growth in the Group's long term performance.



Pursuant to an agreement dated 18 April 2017 entered into between a subsidiary of the Company, Eminent Alliance Investments Limited (“Eminent Alliance”) and an independent third party (the “Purchaser”), Eminent Alliance disposed of its entire interest in a subsidiary, Cityray Investments Limited (the “Disposed Company”) and its subsidiaries (collectively referred as the “Disposal Group”) to the Purchaser at a cash consideration of HK\$38,000,000 (the “Disposal”).

The disposal was completed in May 2017 and recorded a gain of HK\$3.19 million.

For details, please refer to the announcement of the Company dated 19 April 2017.

During the reporting period, the principal businesses continued to develop and grow as planned.

## **FUTURE PROSPECTS**

In the first half of the year 2017, the market sentiment grew steadily and positive on stabilising economy in PRC. As refer to the fiscal policies and measures continually taken by central government of the PRC, the market’s confidence gradually improving in the first half of 2017. It is forecasted that the economic growth of PRC will range from 6.5% to 6.7% for 2017. China’s property market set for stability in 2017 as experts said China still rely on the property sector to help maintain economic growth. The Group will keep on monitoring and analysing government policies and the market trend in an active manner, so as to align its development and marketing strategies to grasp opportunities.

Moreover, the existing businesses continued to grow and contributing to the group overall performance so the Group will continue to dedicate its efforts to the development of its existing and new businesses and other potential projects with a view to bringing steady and greater returns as well as fruitful growth for its shareholders.

## **SUBSEQUENT EVENTS**

### **Convertible Bond**

In July 2017, the bondholder converted 147,368,421 conversion shares into new shares at HK\$0.285 per conversion share.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 30 June 2017, the Group's bank balances and cash was approximately HK\$93.28 million (31 December 2016: approximately HK\$41.43 million), representing an increase of 125.15%.

As at 30 June 2017, the current ratio (current assets/current liabilities) was 11.23 times (31 December 2016: 6.09 times) and the net current assets amounted to approximately HK\$457.07 million (31 December 2016: approximately HK\$218.38 million).

## **NO REDEMPTION OF CONVERTIBLE BOND**

There was no redemption of convertible bond during the reporting period.

## **SHARE OPTION**

On 20 December 2016, the Company has granted share options (the "Options") under its share option scheme (the "Share Option Scheme") adopted on 25 May 2012 to certain eligible grantees (the "Grantees"), which, subject to acceptance by the Grantees, will enable the Grantees to subscribe for an aggregate of 58,120,000 ordinary shares of the Company of US\$0.005 each in the share capital of the Company as stated in the announcement of the Company dated 20 December 2016. 29,290,000 Options had been exercised and gross proceeds of HK\$8,406,230 was received from exercise of these Options during the six months ended 30 June 2017. As at 30 June 2017, no Option was lapsed and there were 28,830,000 Options outstanding under the Share Option Scheme.

## **CAPITAL STRUCTURE**

During the reporting period, 29,290,000 Shares were issued by exercise of share options.

Save as the disclosure above, there was no changes in the capital structure of the Company during the reporting period.

As at 30 June 2017, the Group's gearing ratio calculated on the basis of convertible bond was HK\$200 million (31 December 2016: Nil) and total equity of approximately HK\$359.02 million (31 December 2016: approximately HK\$386.22 million), was 55.71% (31 December 2016: zero).

## **EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND ANY RELATED HEDGES**

There has been no significant change in the Group's policy in terms of exchange rate exposure. The Group operates mainly in Hong Kong and the PRC. Most of the transactions are denominated in Hong Kong dollars ("HK\$") and Renminbi ("RMB"). The exchange rate of RMB against HK\$ is relatively stable. Hence, the Group neither anticipates any significant exchange risk exposure nor has a foreign currency hedging policy. However, management of the Group will monitor foreign exposure closely and consider the use of hedging instruments when necessary.

## **PLEDGE OF ASSETS**

At the end of the reporting period, no pledge of assets was made by the Group.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE AND LISTING RULES**

The Company has complied with the Corporate Governance Code (the “Code”) as contained in Appendix 14 of the Listing Rules.

## **COMPLIANCE WITH THE MODEL CODE**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Following specific enquiry by the Company, all Directors have confirmed that they have complied with the required standard as set out in the Model Code during the six months ended 30 June 2017.

## **REVIEW OF INTERIM RESULTS BY THE AUDIT COMMITTEE**

The Company has established the Audit Committee with written terms of reference in accordance with the requirements of the Code for the purposes of reviewing and providing supervision over the Group’s financial reporting process and internal controls. The Audit Committee comprise three independent non-executive directors, namely Dr. LOKE Yu alias Loke Hoi Lam, Mr. TSE Long and Mr. ZENG Zhaolin.

The Audit Committee meets regularly with the Company’s senior management and the Company’s auditors to consider the Company’s financial reporting process, the effectiveness of internal controls, the audit process and risk management. The Audit Committee has reviewed the Group’s financial statements for the six months ended 30 June 2017 and discussed the financial related matters with management and external auditor.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

For the six months ended 30 June 2017, neither the Company nor any of its subsidiaries had purchased, sold, or redeemed any listed securities of the Company.

## **PUBLICATION OF UNAUDITED INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This announcement will be published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.irasia.com/listco/hk/lamtex](http://www.irasia.com/listco/hk/lamtex). The interim report of the Company for the six months ended 30 June 2017 will be despatched to the Shareholders and published on the aforesaid websites in due course.

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

Hong Kong, 17 August 2017

*As at the date of this announcement, the Board comprises two Executive Directors, namely, Mr. Wu Xiaolin (Chief Executive Officer) and Mr. Wen Wenfeng; two Non-Executive Directors, namely Mr. Wen Jialong (Chairman) and Mr. Lung Chee Ming George; and three Independent Non-Executive Directors, namely Mr. Zeng Zhaolin, Dr. Loke Yu (alias Loke Hoi Lam) and Mr. Tse Long.*