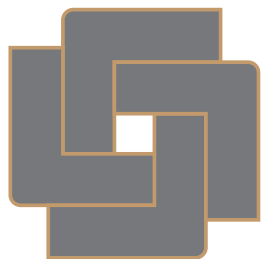


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林達控股有限公司
LAMTEX HOLDINGS LTD.

STOCK CODE 股份代號1041

(Incorporated in Bermuda with limited liability)

(Stock Code: 1041)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO DISCLOSEABLE TRANSACTION ACQUISITION OF 51% INTEREST IN TARGET COMPANY

Reference is made to the announcement of Lamtex Holdings Limited (the “Company”) dated 20 January 2020 in relation to the memorandum of understanding for the acquisition of 51% of the shares of Ambre Investing Inc. (the “Acquisition”) and the announcements of the Company dated 18 February 2020 and 11 March 2020 respectively (the “Announcements” and each an “Announcement”) in relation to the Acquisition. Unless otherwise defined herein, capitalized terms shall have the same meanings as given to them in the Announcements.

The Board wishes to provide the shareholders and potential investors of the Company with additional information in relation to the Acquisition.

SUPPLEMENTAL INFORMATION ABOUT THE PROFIT GUARANTEE

The Company wishes to clarify that, for the purposes of the profit guarantee and pursuant to the Sale and Purchase Agreement, the consolidated net profits figures referred to in the Announcement dated 18 February 2020 represent the consolidated audited after-tax profits of the Target Company and its subsidiaries. The consolidated audited financial statements of the Target Company and its subsidiaries in respect of a financial year will be prepared in accordance with the Hong Kong standards on auditing and issued within 60 days of the relevant financial year end (being 31 December). If the performance targets under the profit guarantee are not met, the Vendor will be liable to pay the difference within 14 days of the issue of the consolidated audited financial statements.

SUPPLEMENTAL INFORMATION ABOUT THE TARGET COMPANY AND THE VALUATION THEREOF

The valuation of the Target Company, which is an investment holding company, is based on the valuation of the indirect wholly-owned operating subsidiary of the Target Company which operates the trading of metals, in particular copper, copper cable and related products, in the PRC on a proprietary e-commerce platform.

The valuer utilized the market approach, which provides an indication of value by comparing the asset with identical or comparable assets for which price information is available. The valuer first identified 13 comparable companies within the e-commerce industry, and then excluded obvious outliers with extremely high price-to-earning ratios. The valuer then selected five suitable comparables based on (i) earning ability (in particular, lossmaking companies were deemed unsuitable as the Target Company had accumulated enough paying users to record a positive net profit of RMB4.4 million in 2019); (ii) geographic coverage of the business; (iii) business processes; and (iv) potential market size. The valuation was then determined by reference to the mean price-to-earnings ratio of the five comparables.

The valuer considered that certain comparables, which are major e-commerce service providers in the PRC, are suitable, as the geographic coverage and business processes of these companies are similar to that of the Target Company and its subsidiaries and the operation model of e-commerce in different industry segments are largely similar. Most importantly, the valuer also considered the market potential of the cable trading industry to be substantial. The cable trading industry is one of the major commodity trading industries in PRC. According to the valuer's research, the sales of cable-related products in PRC reached RMB1.1 trillion in 2018 and the potential market demand for cable and cable-related products in China is expected to reach RMB3 trillion in 2024, and as the PRC government continues to focus on the construction and upgrade of communication infrastructures in the country, the need for cable and cable-related products will increase continuously in the foreseeable future. The e-commerce of this area is yet to be developed and the Target Company is currently one of the leading players. Accordingly the valuer considered the Target Company to have substantial market potential.

In view of the foregoing, the Directors are of the view that the comparables in the valuation report constitute fair and representative samples. Furthermore, the Directors together with the Group's finance personnel have analysed the management accounts of the Target Company and its subsidiaries for the year ended 31 December 2019. The Directors have also reviewed the business plan of the Target Company for future expansion. As such, the Directors are of the view that the entering into of the Sale and Purchase Agreement will be in the interests of the Company and its shareholders as a whole.

SUPPLEMENTAL INFORMATION ABOUT THE PAYMENT OF THE CONSIDERATION

The Company would like to provide further information on the reason for the advance payment of HK\$13 million in partial satisfaction of the Consideration. Given the outbreak of COVID-19 and the worsening of the global economic situation, the Vendor had repeatedly communicated to the Purchaser that he would like to proceed to Completion. Whilst the Purchaser has been undertaking due diligence work and has informed the Vendor that Completion shall only proceed after it has been satisfied with the results of its due diligence investigation in the Target Company and the Sale Shares in accordance with the terms of the Sale and Purchase Agreement, the Purchaser (through the Company) agreed to pay the additional HK\$13 million to the Vendor in partial satisfaction of the Consideration as a gesture of goodwill and to show that the Purchaser would be willing to proceed to Completion pending the satisfaction of all conditions precedent.

The Company was of the view that such additional arrangement would indicate to the Vendor the willingness of the Purchaser to proceed with Completion. Given that the Company has been implementing plans to diversify its business portfolio, including by way of the Acquisition, such advance payment could further communicate the Company's confidence in the future business performance of the Target Company.

If eventually the Purchaser is not satisfied with the results of its due diligence investigation in the Target Company and the Sale Shares, the Purchaser has the right not to proceed with Completion upon which the Vendor shall return both the initial deposit of HK\$5 million and the additional HK\$13 million. In view of the foregoing, the Board is of the view that such advance payment is fair and reasonable and in the interests of the Company and its Shareholders.

Further announcements in connection with the Acquisition may be published by the Company as and when necessary.

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

Hong Kong, 8 April 2020

As at the date of this announcement, the Board comprises four Executive Directors, namely, Mr. Huang Bin (Chairman), Mr. Wu Xiaolin, Mr. Cheng Tun Nei and Mr. Wen Wenfeng; two Non-Executive Directors, namely Ms. Zang Yanxia and Mr. Pan Xian; and four Independent Non-Executive Directors, namely Mr. Li Changhui, Mr. Xu Lin, Mr. Liu Kam Lung and Mr. Li Ming Guo.