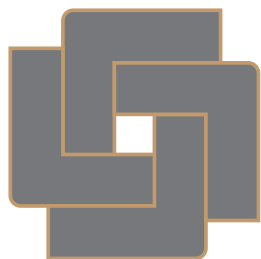


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林達控股有限公司
LAMTEX HOLDINGS LTD.

STOCK CODE 股份代號 1041

(Incorporated in Bermuda with limited liability)

(Stock Code: 1041)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

The board (the “Board”) of directors (the “Director(s)”) of Lamtex Holdings Limited (the “Company”) hereby announces the audited consolidated financial results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2018 together with the comparative figures for the previous year as follows:

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

For The Year Ended 31 December 2018

	Notes	2018 HK\$'000	2017 HK\$'000
Interest revenue		41,287	35,819
Other revenue		128,047	86,834
Total revenue	4	169,334	122,653
Cost of inventories sold		(141,359)	(56,163)
Other income	5	508	578
Administrative expenses		(49,481)	(33,813)
Share-based payments		(13,313)	—
Gain on bargain purchase		—	456
Gain on disposal of subsidiaries	7	1,196	3,187
Net fair value loss on convertible bond		—	(901)
Fair value loss on investment properties		(1,187)	(490)
Finance costs	8	(773)	(3,392)
Impairment of property, plant and equipment		(502)	—
Impairment of goodwill		(9,190)	—
Impairment of intangible assets		(1,000)	—
Impairment of interest in an associate		(6,483)	—
Share of loss of an associate		(438)	—
(Loss)/profit before tax		(52,688)	32,115
Income tax expense	9	(7,152)	(3,771)
(Loss)/profit for the year	10	(59,840)	28,344

	<i>Notes</i>	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Other comprehensive (loss)/income:			
<i>Items that may be reclassified to profit or loss:</i>			
Foreign currency translation reserve reclassified to profit or loss upon disposal of subsidiaries		—	1,538
Exchange differences on translating foreign operations		<u>(2,306)</u>	<u>6,684</u>
Total other comprehensive (loss)/income for the year		<u>(2,306)</u>	<u>8,222</u>
Total comprehensive (loss)/income for the year		<u>(62,146)</u>	<u>36,566</u>
(Loss)/earnings per share	<i>12</i>		
Basic (cents per share)		<u>(3.82)</u>	<u>3.03</u>
Diluted (cents per share)		<u>(3.82)</u>	<u>2.13</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As At 31 December 2018

	Notes	2018 HK\$'000	2017 HK\$'000
Non-current assets			
Property, plant and equipment		81,607	18,007
Investment properties	13	—	83,300
Intangible asset		—	1,000
Goodwill		2,396	6,533
Other assets		400	400
Interests in an associate		23,080	—
		<u>107,483</u>	<u>109,240</u>
Current assets			
Inventories		13,538	10,572
Trade and interest receivables	14	43,034	41,041
Loans receivables	15	372,850	313,350
Prepayments, deposits and other receivables		36,047	4,441
Financial assets at fair value through profit or loss		32,613	81,208
Bank balances held on behalf of clients		14,088	37,504
Bank and cash balances	16	40,248	63,791
		<u>552,418</u>	<u>551,907</u>
Current liabilities			
Trade payables	17	31,387	54,352
Other payables and accruals		11,924	17,288
Borrowings		5,032	—
Tax payable		3,309	2,796
		<u>51,652</u>	<u>74,436</u>
Net current assets		<u>500,766</u>	<u>477,471</u>
Total assets less current liabilities		<u>608,249</u>	<u>586,711</u>

	<i>Notes</i>	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Non-current liabilities			
Convertible bonds		—	112,000
Deferred tax liabilities		<u>254</u>	<u>419</u>
		<u>254</u>	<u>112,419</u>
NET ASSETS		<u>607,995</u>	<u>474,292</u>
Capital and reserves			
Share capital	<i>18</i>	67,497	45,580
Reserves		<u>540,498</u>	<u>428,712</u>
TOTAL EQUITY		<u>607,995</u>	<u>474,292</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31 December 2018

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. During the year, 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 Company is an investment holding company. The principal activities of the Company’s subsidiaries are securities trading and investment, securities brokerage and provision of securities margin finance, property investment, loan financing services and trading and manufacturing of electronic products and hotel operations (starting from 1 October 2018).

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) that are relevant to its operations and effective for its accounting year beginning on 1 January 2018. HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (“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 year and prior years.

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

HKFRS 16 Lease

HKFRS 16 replaces HKAS 17 Leases and related interpretations. The new standard introduces a single accounting model for lessees. For lessees the distinction between operating and finance leases is removed and lessees will recognise right-of-use assets and lease liabilities for all leases (with optional exemptions for short-term leases and leases of low value assets). HKFRS 16 carries forward the accounting requirements for lessors in HKAS 17 substantially unchanged. Lessors will therefore continue to classify leases as operating or financing leases.

The Group’s leased premises are currently classified as operating leases and the lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term. Under HKFRS 16 the Group may need to recognise and measure a liability at the present value of the future minimum lease payments and recognise a corresponding right-of-use asset for these leases. The interest expense on the lease liability and amortisation on the right-of-use asset will be recognised in profit or loss. The Group’s assets and liabilities will increase and the timing of expense recognition will also be impacted as a result.

As disclosed in note 19, the Group's future minimum lease payments under non-cancellable operating leases for its leased premises amounted to approximately HK\$5,750,000 as at 31 December 2018. Based on a preliminary assessment, the Group anticipates that the initial adoption of HKFRS 16 in the future will result in an increase in right-of-use assets and lease liabilities, which is unlikely to have material impact on the Group's financial position. The Group also anticipates that the net impact (as a result of the combination of the interest expenses arising from the lease liabilities and the amortization of the right-of-use assets as compared to the rental expense under existing standard) on the Group's financial performance will not be material.

3. SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports about the components of the Group that are regularly reviewed by the chief operating decision maker ("CODM") in order to allocate resources to segments and to assess their performance. Reported segment information is based on internal management reporting information that is regularly reviewed by executive directors, being the CODM of the Group.

The Group's operation are organised based on six business activities which are also the information regularly reported to 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) Hotel operation
- (iv) Property investment-generation of rental income
- (v) Loan financing services — provision of funds and financial services to third parties
- (vi) Trading and manufacturing of electronic products

Other operating segment which do not meet the quantitative thresholds prescribed by HKFRS 8 for determining reporting segments are combined as "all other segments".

Segment revenue and results:

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

	Securities trading and investment <i>HK\$'000</i>	Securities brokerage and provision of securities margin finance <i>HK\$'000</i>	Hotel operation <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Loan financing services <i>HK\$'000</i>	Trading and manufacturing of electronic products <i>HK\$'000</i>	All other segments <i>HK\$'000</i>	Total <i>HK\$'000</i>
Year ended 31 December 2018								
Segment revenue:								
Revenue from external customers	<u>(41,621)</u>	<u>2,069</u>	<u>992</u>	<u>1,120</u>	<u>41,287</u>	<u>165,487</u>	<u>—</u>	<u>169,334</u>
Segment profit/(loss)	<u>(41,621)</u>	<u>(6,070)</u>	<u>431</u>	<u>(3,396)</u>	<u>39,344</u>	<u>16,304</u>	<u>(2,001)</u>	<u>2,991</u>
Unallocated corporate income								1,599
Unallocated corporate expenses								<u>(57,278)</u>
Loss before tax								<u>(52,688)</u>

	Securities trading and investment <i>HK\$'000</i>	Securities brokerage and provision of securities margin finance <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Loan financing services <i>HK\$'000</i>	Trading and manufacturing of electronic products <i>HK\$'000</i>	All other segment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Year ended 31 December 2017							
Segment revenue:							
Revenue from external customers	<u>18,532</u>	<u>3,275</u>	<u>2,697</u>	<u>35,819</u>	<u>62,253</u>	<u>77</u>	<u>122,653</u>
Segment profit/(loss)	<u>18,532</u>	<u>(4,595)</u>	<u>1,911</u>	<u>21,029</u>	<u>2,787</u>	<u>(180)</u>	<u>39,484</u>
Unallocated corporate income							3,643
Unallocated corporate expenses							<u>(11,012)</u>
Profit before tax							<u>32,115</u>

The accounting policies of the reportable and operating segment are the same as the Group's accounting policies. Segment result represents profit/(loss) from each segment without allocation of central administrative costs, share-based payments, directors' remuneration, finance costs, other income and other gains and losses (excluding the fair value changes and gain/loss from financial assets at fair value through profit or loss, which is included in the securities trading and investment segment result). This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segment:

	Securities trading and investment <i>HK\$'000</i>	Securities brokerage and provision of securities margin finance <i>HK\$'000</i>	Hotel operation <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Loan financing services <i>HK\$'000</i>	Trading and manufacturing of electronic products <i>HK\$'000</i>	All other segments <i>HK\$'000</i>	Total <i>HK\$'000</i>
As at 31 December 2018								
Segment assets	<u>32,613</u>	<u>32,629</u>	<u>80,331</u>	<u>—</u>	<u>389,897</u>	<u>49,136</u>	<u>8,300</u>	<u>592,906</u>
Unallocated corporate assets								<u>66,995</u>
Consolidated total assets								<u>659,901</u>
Segment liabilities	<u>—</u>	<u>20,283</u>	<u>6,414</u>	<u>—</u>	<u>1,741</u>	<u>18,933</u>	<u>1,758</u>	<u>49,129</u>
Unallocated corporate liabilities								<u>2,777</u>
Consolidated total liabilities								<u>51,906</u>
As at 31 December 2017								
Segment assets	<u>81,208</u>	<u>60,445</u>	<u>86,457</u>	<u>340,963</u>	<u>39,757</u>	<u>8,653</u>		<u>617,483</u>
Unallocated corporate assets								<u>43,664</u>
Consolidated total assets								<u>661,147</u>
Segment liabilities	<u>—</u>	<u>46,615</u>	<u>439</u>	<u>3,561</u>	<u>20,311</u>	<u>562</u>		<u>71,488</u>
Unallocated corporate liabilities								<u>115,367</u>
Consolidated total liabilities								<u>186,855</u>

4. REVENUE

The Group's revenue is analysed as follows:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Sales of goods	165,487	62,330
Commission and brokerage income from securities dealings	1,878	3,070
Service income from hotel operations	992	—
	<hr/>	<hr/>
Revenue from contracts with customers	168,357	65,400
Revenue from other sources:		
Loss on disposal of financial assets at fair value through profit or loss	(11,837)	—
Fair value (loss)/gain on financial assets at fair value through profit or loss	(29,784)	18,532
Rental income	1,311	2,902
Interest income from loans to customers	41,287	35,819
	<hr/>	<hr/>
	169,334	122,653
	<hr/> <hr/>	<hr/> <hr/>

5. OTHER INCOME

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Interest income	264	501
Others	244	77
	<hr/>	<hr/>
	508	578
	<hr/> <hr/>	<hr/> <hr/>

6. ACQUISITION OF SUBSIDIARIES

On 15 October 2018, the Group acquired 100% of issued share capital of 貴陽市登喜路旅遊有限公司 for a cash consideration of approximately HK\$285,000. 貴陽市登喜路旅遊有限公司 is principally engaged in hotel operation in the PRC.

The fair value of the identifiable assets and liabilities of 貴陽市登喜路旅遊有限公司 acquired as at its date of acquisition is as follows:

	<i>HK\$'000</i>
Property, plant and equipment	61
Inventories	226
Other receivable	834
Bank and cash balances	219
Short term loan	(5,035)
Trade payables	(18)
Other payables	(1,055)
	<hr/>
Total identifiable net liabilities at fair value	(4,768)
Goodwill	5,053
	<hr/>
Cash consideration	285
	<hr/> <hr/>

Analysis of net outflow of cash and cash equivalents in respect of acquisition of subsidiaries:

	<i>HK\$'000</i>
Total cash consideration	285
Cash and cash equivalents acquired	(219)
	<hr/>
	66
	<hr/> <hr/>

貴陽市登喜路旅遊有限公司 contributed revenue of approximately HK\$992,000 to the Group's revenue and profit of approximately HK\$431,000 to the Group's loss for the year between the date of acquisition and the end of the reporting period.

If the acquisition had been completed on 1 January 2018, total Group's revenue for the year would have been approximately HK\$171,844,000, and loss for the year would have been approximately HK\$56,970,000. The proforma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2018, nor is intended to be a projection of future results.

The goodwill arising on the acquisition of 貴陽市登喜路旅遊有限公司 is attributable to anticipates profit contribution of the subsidiaries.

7. DISPOSAL OF SUBSIDIARIES

Pursuant to an agreement dated 21 March 2018 entered into between a subsidiary of the Company, Jolly Profit Investments Limited (“Jolly Profit”) and an independent third party (the “Purchaser”), Jolly Profit disposed of its entire interest in a subsidiary to the Purchaser at a cash consideration of HK\$14,000,000 net of expenses of HK\$91,000 (the “Disposal”). The Disposal resulted a gain on disposal of subsidiaries of approximately HK\$1,196,000. Disposal would not constitute a discloseable transaction under Chapter 14 of the Rule Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Jolly Profit was principally engaged in investment holding during the period. The Disposal was completed on 4 September 2018.

Net assets of the Disposal Group disposed of:

	<i>HK\$'000</i>
Property, plant and equipment	12,713
Gain on disposal of subsidiaries	<u>1,196</u>
Total consideration — satisfied by cash	<u><u>13,909</u></u>

Analysis of net outflow of cash and cash equivalent in respect of disposal of subsidiaries:

Cash consideration	<u><u>13,909</u></u>
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8. FINANCE COSTS

	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest on convertible bonds	<u><u>773</u></u>	<u><u>3,392</u></u>

9. INCOME TAX

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Current tax — Hong Kong Profits Tax:		
— Provision for the year	7,337	3,735
— (Under)/over-provision in prior years	(20)	36
Deferred tax	<u>(165)</u>	<u>—</u>
Income tax expense	<u>7,152</u>	<u>3,771</u>

Hong Kong Profits Tax is provided at 16.5% (2017: 16.5%) based on the assessable profit for the year.

No provision for PRC Enterprise Income Tax made as the subsidiaries operating in the PRC have no assessable profits for both years.

The reconciliation between the income tax expense and the (loss)/profit before tax is as follows:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
(Loss)/profit before tax	<u>(52,688)</u>	<u>32,115</u>
Calculated at a domestic income tax rate of 16.5% (2017: 16.5%)	(9,290)	5,455
Tax effect of income not taxable	(1,342)	(3,770)
Tax effect of expenses not deductible	6,997	1,524
Tax effect of temporary difference not recognised	—	11
Tax effect of taxes losses not recognised	10,838	1,097
Utilisation of tax losses previously not recognised	(1)	(470)
Over-provision in prior years	(10)	(36)
One-off tax reduction	<u>(40)</u>	<u>(40)</u>
Income tax expense for the year	<u>7,152</u>	<u>3,771</u>

At the end of the reporting period subject to agreement by the tax authorities, the Group has unused tax losses of approximately HK\$370,005,000 (2017:HK\$307,278,000) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future streams of those entities of the Group.

10. (LOSS)/PROFIT FOR THE YEAR

The Group's (loss)/profit for the year is stated after charging:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Cost of inventories sold	141,359	56,163
Depreciation of property, plant and equipment	2,376	2,005
Loss on disposal of property, plant and equipment	—	15
Staff costs (including Directors' emoluments)		
Salaries, fees, bonuses and allowances	16,006	10,702
Share-based payments	13,313	—
Retirement benefits scheme contribution	702	358
	<u>30,021</u>	<u>11,060</u>
Operating lease rentals in respect of land and buildings	3,339	2,007
Auditors' remuneration	970	990
Impairment of property, plant and equipment	502	—
Impairment of goodwill	9,190	—
Impairment of intangible assets	1,000	—
Impairment of interest in an associate	<u>6,483</u>	<u>—</u>

11. DIVIDEND

The Directors do not recommend the payment of any dividend in respect of the year ended 31 December 2018 (2017: nil).

12. (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per share

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of approximately HK\$59,840,000 (2017: profit of HK\$28,344,000) and the weighted average number of ordinary shares of 1,566,085,000 (2017: 935,122,000) in issue during the year.

Diluted loss per share

The diluted loss per shares is equal to basic loss per share as the Company did not have any dilutive potential ordinary sharing during the year ended 31 December 2018.

For the year ended 31 December 2017, the calculation of diluted earnings per share attributable to owners of the Company is based on the following:

Earnings

	<i>HK\$'000</i>
Earnings for the purpose of calculating basic earnings per share	28,344
Add: Interest expenses on convertible bonds	3,392
Net fair value loss on convertible bonds	901
	<u>32,637</u>

Number of shares

Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	935,122,469
Effect of dilutive potential ordinary shares arising from convertible bonds outstanding	592,030,761
Effect of dilutive potential ordinary shares arising from share options	6,758,202
	<u>1,533,911,432</u>

13. INVESTMENT PROPERTIES

	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
At 1 January	83,300	100,946
Additions	—	5,153
Change in fair value	(1,187)	(490)
Disposal of subsidiaries	—	(29,887)
Transfer to property, plant and equipment	(78,550)	—
Exchange differences	(3,563)	7,578
	<u>—</u>	<u>83,300</u>
At 31 December	<u>—</u>	<u>83,300</u>

14. TRADE AND INTEREST RECEIVABLES

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Trade receivables		
Cash client	4,253	4,107
Margin client	3,408	1,402
Clearing houses	302	1,292
Trade receivables	29,499	27,122
Interest receivables	6,064	4,916
Rental receivable	—	2,694
Less: allowance for doubtful debts	<u>(492)</u>	<u>(492)</u>
Trade and interest receivables, net	<u><u>43,034</u></u>	<u><u>41,041</u></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.

In relation to trade receivable from trading and manufacturing of electronic products and trading of construction material, the general credit terms of the Group granted to its trade customers is aged within 90 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the senior management. An aging analysis of trade receivables, based on the invoice date, is as follows:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Current	17	—
Within 30 days	<u>29,482</u>	<u>27,122</u>
	<u><u>29,499</u></u>	<u><u>27,122</u></u>

15. LOANS RECEIVABLES

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Loans receivables	<u><u>372,850</u></u>	<u><u>313,350</u></u>

The aging analysis of loans receivables, based on the loan agreement date is as follows:

	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
0 to 30 days	22,500	6,000
31 to 60 days	44,000	41,000
61 to 90 days	8,000	8,000
Over 91 days	298,350	258,350
	<u>372,850</u>	<u>313,350</u>

The fixed-rate loans receivables of approximately HK\$372,850,000 (2017: HK\$313,350,000) under the Group's loan financing services operation as at 31 December 2018 represent loan advanced to 31 (2017: 28) independent third parties. The interest rates for the loan receivables were ranging from 10% to 14% (2017: 8%–14%) per annum.

The loan made available to customers depends 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 judgment, including assessment of change of credit quality and the past collection history of each customer. There are no loan receivables which were past due at the end of reporting period and the Directors consider that no impairment was necessary.

16. BANK AND CASH BALANCES

Bank and cash balances comprise cash and short-term bank deposits with original maturity of three months or less, and carry interest ranging from 0.125% to 0.5% (2017: 0.01% to 0.8%) per annum.

At the end of the reporting period, the Group had bank and cash balances that were in RMB, which is not freely convertible into other currencies or were subject to exchange controls in the PRC amounting to approximately HK\$3,340,000 (2017: HK\$3,730,000).

The carrying amounts of the Group's other bank and cash balances are mainly denominated in Hong Kong dollars.

17. TRADE PAYABLES

	2018 HK\$'000	2017 HK\$'000
Margin client	3,975	28,841
Hong Kong Securities Clearing Company Limited	5,175	7,843
Cash client	10,580	9,251
Trade payables	11,657	8,417
	31,387	54,352

The payables of margin client and cash client 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.

The aging analysis of the trade payables, based on invoice date is as follows:

	2018 HK\$'000	2017 HK\$'000
0–30 days	7,525	4,489
31–90 days	3,562	2,792
91–180 days	570	1,136
	11,657	8,417

18. SHARE CAPITAL

	Number of ordinary shares (‘000)	US\$’000	HK\$’000
Authorised:			
At 1 January 2017, 31 December 2017 and 31 December 2018 (US\$0.005 each)	20,000,000	100,000	775,000
Issued and fully paid:			
At 1 January 2017	836,915	4,185	32,430
Issue of shares on exercise of share option (note a)	29,290	146	1,139
Issue of shares on conversion of convertible bonds (note b)	308,772	1,544	12,011
At 31 December 2017 and 1 January 2018	1,174,977	5,875	45,580
Issue of shares on placement (note c)	170,000	850	6,630
Issue of shares on conversion of convertible bonds (note d)	392,982	1,965	15,287
At 31 December 2018	1,737,959	8,690	67,497

Notes:

- (a) During the year ended 31 December 2017, the subscription rights attaching to 29,290,000 share options issued pursuant to the share option scheme of the Company were exercised at the subscription price of HK\$0.287 per share, resulting in the issue of 29,290,000 Company’s ordinary shares of US\$0.005 each for the total cash consideration of approximately HK\$8,406,000 (2016: Nil).
- (b) During the year ended 31 December 2017, the holder of convertible bonds exercised the conversion right to convert HK\$88,000,000 convertible bonds into 308,771,929 Company’s ordinary shares of US\$0.005 each.
- (c) Completion of the share placement took place on 29 March 2018 pursuant to which 170,000,000 placement shares were issued under the placement agreement (the “March Placement”) at the placement price of HK\$0.43 per placement share at an aggregate consideration of approximately HK\$70,536,000 (net of issuing expenses of approximately HK2,564,000), of which approximately HK\$6,630,000 was credited to share capital and the remaining balance of approximately HK\$63,906,000 was credited to share premium account. Details of the March Placement were set out in the Company’s announcement dated 29 March 2018.
- (d) During the year, the holder of convertible bonds exercised the conversion right to convert HK\$112,000,000 convertible bonds into 392,982,456 Company’s ordinary shares of US\$0.005 each.

Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No major changes were made in the objectives, policies or processes for managing capital during the two years ended 31 December 2018 and 2017. The capital structure of the Group consists of equity attributable to owners of the Company, comprising share capital and reserves.

19. OPERATING LEASE COMMITMENTS

(a) The Group as lessor

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Within one year	—	2,289
In the second to fifth years, inclusive	—	9,231
Over 5 years	—	40,771
	<u>—</u>	<u>40,771</u>
	<u>—</u>	<u>52,291</u>

(b) The Group as lessee

Leases for office premises are negotiated for terms ranging from 1 to 2 years. At the end of the reporting period, the Group's total future minimum lease payments under non-cancellable operating leases falling due as follows:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Within one year	3,563	1,674
In the second to fifth years, inclusive	2,187	759
	<u>5,750</u>	<u>2,433</u>

FUND RAISING ACTIVITIES

In order to enhance our capital to seize the business opportunities, the Company has completed the March 2018 placement. The major part of the net proceeds from the fund raising activities are used in financing and developing new and existing businesses needs.

March 2018 Placement

On 29 March 2018, the Company completed the placing of 170,000,000 new shares of the Company pursuant to the general mandate granted to the directors of the Company at the annual general meeting held on 8 March 2018 at a placing price of HK\$0.43 each.

The net proceeds of the Placing was approximately HK\$70,540,000.00. Approximately HK\$30,000,000 was used for the development of new business, approximately HK\$20,000,000 was used as deposits for properties investment and the remaining balance was utilised for general working capital.

USE OF PROCEEDS

The Company has conducted the following equity fund raising activities during the year ended 31 December 2018.

Date of announcement	Fund raising activity	Net proceeds raised	Intended use of net proceeds	Actual use of net proceeds
8 March 2018 and 29 March 2018	Placing of 170,000,000 new shares at the placing price of HK\$0.43 per placing share	Approximately HK\$70.54 million	Approximately HK\$49 million for the development of new business and the remaining balance for general working capital.	Approximately HK\$30 million was invested in hotel management business; approximately HK\$20 million was used as deposits regarding the possible acquisition of property investment and the rest of the remaining balance was utilized for general working capital.

DIVIDEND

The Board does not recommend payment of a final dividend for the year ended 31 December 2018 (2017: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

This represented (loss)/gain 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, hotel operation income, trading and manufacturing of electronic products income and rental income.

Segmental Results

During the reporting year, securities trading and investment, loan financing service, securities brokerage and provision of securities margin finance, property investment, hotel operation and trading and manufacturing of electronic products business remain the continuing business operations of the Group.

Property investment business

Revenue of approximately HK\$1.12 million was generated from the operation of property investment business for the reporting year (2017: approximately HK\$2.70 million) and its segmental result suffered a loss of approximately HK\$3.40 million (2017: a profit of approximately HK\$1.91 million).

Securities trading and investment business

The negative revenue generated from the operation in securities trading and investment for the reporting year was approximately HK\$41.62 million (2017: revenue approximately HK\$18.53 million) and its segmental result reflected a loss of approximately HK\$41.62 million (2017: profit of approximately HK\$18.53 million).

Loan financing services business

Revenue of approximately HK\$41.29 million was generated from the Group's loan financing services business for the reporting period (2017: approximately HK\$35.82 million) and its segmental result recorded a profit of approximately HK\$39.34 million (2017: approximately HK\$21.03 million).

Securities brokerage and provision of securities margin finance business

Revenue of approximately HK\$2.07 million was generated from the Group's stock broking business for the reporting period (2017: approximately HK\$3.28 million) and its segmental result suffered a loss of approximately HK\$6.07 million (2017: loss of approximately HK\$4.60 million).

Trading and manufacturing of electronic products business

Revenue of approximately HK\$165.49 million was generated from the Group's electronic trading business for the reporting period (2017: approximately HK\$62.25 million) and its segment result recorded a profit of approximately HK\$16.30 million (2017: a profit of approximately HK\$2.79 million).

Hotel operation business

Revenue of approximately HK\$0.99 million was generated from hotel operation business (2017: no such segment) and recorded a profit of approximately HK\$0.43 million (2017: no such segment).

All other segments business

No revenue was recorded from other segments business (2017: approximately HK\$0.08 million) and segmental result suffered a loss of HK\$2.00 million (2017: loss of approximately HK\$0.18 million).

Cost of sales

Cost of sales increased by approximately HK\$85.2 million, from approximately HK\$56.16 million for 2017 to approximately HK\$141.36 million for 2018. The increase was mainly driven by the increase in revenue in 2018 from the trading and manufacturing of electronic products segment.

Other Income

The Group's other income for the reporting year slightly decreased to approximately HK\$0.51 million from approximately HK\$0.58 million in year 2017.

Administrative Expenses

The Group's administrative expenses for the reporting year increased to approximately HK\$49.48 million from approximately HK\$33.82 million in the year 2017. Such increase was mainly due to overall increase in salary, rental and professional fee of the holding company and subsidiaries of approximately HK\$15.7 million.

Share-based Payments

Approximately HK\$13.31 million was recorded as share-based payments of the Group for the reporting year regarding the share option scheme granted (2017: Nil).

Finance Costs

The Group's finance costs for the reporting year was HK\$0.77 million (2017: HK\$3.39 million). This was mainly the interest paid on outstanding convertible bonds.

Impairment loss of property, plant and equipment, goodwill, intangible assets and interest in an associate

During the reporting year, property, plant and equipment amounting to approximately HK\$0.50 million (2017: Nil); goodwill amounting to approximately HK\$9.19 million (2017: Nil); intangible assets amounting to HK\$1.00 million (2017: Nil) and interest in associate amounting to HK\$6.48 million (2017: Nil) were determined to be impaired.

The Management expected that future performance will follow the actual situation in the current year and there was change in customer demands mainly due to fierce market competition that resulted in a decline of actual sales during the current year and reduced anticipated cash flows from the future operating synergies. Finally, the anticipated cash flows to be generated from the future use of the asset would be uncertain.

Loss for the Year and Loss Per Share

The Group's loss for the reporting year was approximately HK\$59.84 million (2017: a profit of approximately HK\$28.34 million). Such change was mainly due to (i) one-off share-based payments of approximately HK\$13.3 million arising from grant of share options; (ii) the loss on disposal and net fair value loss on financial assets at fair value through profit or loss, in aggregate, of approximately HK\$41.6 million; (iii) increase in administrative expenses of approximately HK\$15.7 million; and (iv) impairment losses on certain non-current assets of approximately HK\$17.2 million. Basic loss per share of the Group was approximately HK3.82 cents per share for the year ended 31 December 2018 (2017: basic earnings per share approximately HK3.03 cents), while diluted loss per share was approximately HK3.82 cents (2017: basic diluted earnings per share approximately HK2.13 cents).

BUSINESS REVIEW

During the year, the businesses and operations of the Group were mainly on 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.

The Group's consolidated net loss for the year was approximately HK\$59.84 million (2017: net gain of approximately HK\$28.34 million). The consolidated net assets of the Group increased from approximately HK\$474.29 million as at 31 December 2017 to approximately HK\$607.99 million as at 31 December 2018. The consolidated net loss was mainly attributable to (i) one-off share-based payments of approximately HK\$13.3 million arising from grant of share options; (ii) the loss on disposal and net fair value loss on financial assets at fair value through profit or loss, in aggregate, of approximately HK\$41.6 million; (iii) increase in administrative expenses of approximately HK\$15.7 million; and (iv) impairment losses on certain non-current assets of approximately HK\$17.2 million.

MAJOR EVENTS

In March 2018, the Company completed a placement of 170,000,000 new shares with value of HK\$0.43 each with net proceeds of approximately HK\$70.54 million. The March Placement was referred to the announcements dated 8 March 2018 and 29 March 2018 under the General Mandate. After the completion of the 2018 March Placement, the issued share capital of the Company has been further enlarged to 1,344,976,579 shares in total. 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.

On 3 April 2018, the Group acquired 35% equity interest in Prince William Sound Hotel Management Limited at cash consideration of HK\$30,000,000. Prince William Sound Hotel Management Limited and its subsidiaries are engaged in hotel operation.

In May 2018, 392,982,456 Conversion Shares were issued and allotted to China Force Enterprises Inc. in the principal amount of HK\$112,000,000 at the Conversion Price of HK\$0.285 per Conversion Share pursuant to the terms and conditions of the Convertible Bonds. The Conversion Shares rank pari passu with all the existing Shares as at the date of allotment and among themselves in all respects. As a result, China Force Enterprises Inc. has become a substantial Shareholder of the Company and further strengthen the Company's capital.

In June 2018, the Company entered into the MOU with Guangda Global Capital Management and Mr. Wei (the Vendors), pursuant to which the Company intended to purchase, whether directly or through one of its subsidiaries, and the Vendors intended to sell, 51% of the equity interests of an investment holding company to be established as an offshore company holding 100% of the equity interests of Shenzhen Littlebee (Target Company). The Target Company and Shenzhen Littlebee will be principally engaged in businesses of blockchain technology development and application; development, sales, leasing of computer hardware and software technology; computer system integration; computer and auxiliary equipment sales; database services, database management; computer system analysis and technical services; big data technology development, artificial intelligence technology development, and other related services. The Target Group will form a strategic partnership with Littlebee Technology, a Singapore company whose principal business is the development and application of blockchain technology.

On 25 July 2018, Tech Fortune Investment Limited, a wholly-owned subsidiary of the Company entered into the Sale and Purchase Agreement with (1) Mr. John Sze-Hay Chan; (2) Ms. Marian Ma-Lei Chan; and (3) Ms. Clara Emily Chan (Vendors) for the acquisition of the entire issued share capital of the JMC Investments Ltd (Target Company) in which the Target Company is the sole legal and beneficial owner of the Property. The Target Company is a company incorporated in Belize with limited liability on 7 January 2011 and is an investment holding company which held a parcel of land situate at Placentia North, Block 36 with 2,400 parcels in Belize and an area of 391.417 S.M. The Property is currently

developed for resort purposes. The consideration for the Acquisition shall be USD850,000 and will be satisfied by issue of the Consideration Shares to Vendor 1 (and Vendor 1 has obtained consent from Vendor 2 and 3 to appoint Vendor 1 to receive the Consideration Shares for and on their behalf) under the General Mandate. The Acquisition will further strengthen the Group's position and strength in property investment by enabling the Group to diversify its property investment portfolio and seek subsequent potential buyers or investors. The Acquisition will also help the Group expand its coverage in the South America region. The Acquisition was completed on 28 February 2019.

On 2 September 2018, the Company entered into the Subscription Agreements with the Subscribers, pursuant to which the Company has conditionally agreed to issue and the Subscribers have conditionally agreed to subscribe for the Convertible Bonds in the aggregate principal amount of HK\$648 million. The Company intends to use the net proceeds from the Subscription as to (i) approximately HK\$480 million for development the new business; (ii) approximately HK\$70 million for property investment; and (iii) approximately HK\$97 million for working capital. As at 31 December 2018, the conditions precedent of the Subscription Agreements have not been fulfilled. The Company and the Subscribers entered into the Supplemental Agreements respectively on 31 December 2018 pursuant to which, among others, the parties agreed to extend the Long Stop Date from 31 December 2018 to 31 March 2019, or such later date as the Company and the Subscribers may agree respectively. For details, please refer to the announcements dated 3 September, 2018 and 31 December 2018.

On 2 September 2018, the Company entered into the Consultancy Agreement with the Consultant, pursuant to which, the Company engaged the Consultant to provide the Consultancy Services. As a consideration for the Consultancy Services, the Company agreed to issue 86,000,000 Warrants conferring the rights to subscribe for an aggregate of 86,000,000 Warrant Shares at the Subscription Price of HK\$0.4 per Warrant Share (subject to adjustment). The subscription right will be exercisable within 36 months from the date of the issue of the Warrants. The aggregate number of the Warrant Shares to be issued will be 86,000,000 Shares, representing (i) approximately 4.9% of the total issued shares of the Company as at the date of this announcement and (ii) approximately 4.72% of the issued share capital of the Company as enlarged by the Warrant Shares. The Consultancy Agreement provides a unique opportunity for the Company to strengthen the financial position of the Group for potential acquisition as the Consultant is an expertise on focusing on capital raising, mergers, acquisitions and project finance in PRC and Hong Kong. It has accumulated extensive expertise and network in the financial sector. The Consultant will assist the Company by way of provision of the development strategy, business cooperation opportunities, relevant acquisition targets and relationship networking. In particular, the Consultant will assist the project group to achieve the performance target through its provision of the consultancy service. The Company is expected to expand the Group and diversify the business of the Company through acquisition in blockchain technology, business property investment and Factoring business etc. The Director is of the view that the Consultancy Agreement will enhance the future growth and development of

the Company after the completion of financing. As at 31 December 2018, the conditions precedent of the Subscription Agreements have not been fulfilled. The Company and the Subscribers entered into the Supplemental Agreements respectively on 31 December 2018 pursuant to which, among others, the parties agreed to extend the Long Stop Date from 31 December 2018 to 31 March 2019, or such later date as the Company and the Subscribers may agree respectively. For details, please refer to the announcements dated 3 September 2018, 7 September 2018 and 31 December 2018.

During the reporting year, the performance of the financial assets was strongly related to the turmoil in the stock market, especially the Hong Kong stock market which had a bullish beginning of 2018 while suffered series of radical decline thereafter. The worries over the escalation of trade protectionism and the global influence of the Brexit negotiation were key factors that jittered the market. The Group has reduced the portfolio size in the reporting period gradually so as to redeploy financial resources for meeting other operational requirements.

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

Property investment business

The segmental loss of approximately HK\$3.40 million was mainly due to the business from investment properties (2017: profit of approximately HK\$1.91 million). Such a decrease was due to the fair value loss on investment properties; current receivables accounts written off and depreciation resulted.

Securities trading and investment business

The segmental loss of approximately HK\$41.62 million was mainly due to the loss on disposal and net fair value loss on financial assets at fair value through profit or loss.

Loan financing services business

The segmental profit of approximately HK\$39.34 million was recorded (2017: profit of approximately HK\$21.03 million).

Securities brokerage and provision of securities margin finance business

The segmental loss of approximately HK\$6.07 million was recorded (2017: loss of approximately HK\$4.60 million). This was mainly due to business faced a lot of competitions and some related business plans not well on track.

Trading and manufacturing of electronic products business

The segmental profit of approximately HK\$16.30 million was recorded (2017: profit of approximately HK\$2.79 million). The increase in profit was mainly due to increase in sales.

Hotel operation business

The segmental profit of approximately HK\$0.43 million was recorded (2017: no such segment). This was a newly setup business in late 2018.

FUTURE PLANS AND PROSPECTS

Looking forward to 2019, it will be a challenging year as continued market volatility and uncertainty expected to exist in the year ahead. Crucial uncertainties including the Brexit, the relationship between the U.S. and China remain unpredictable and the tightening of the U.S. monetary system which inclines to hit emerging markets. A slow down of global economic growth is expected by most international financial institutions. However, the Group will endeavor to achieve its planned goals in 2019 as mentioned below.

Loan Financing Services Business:

The Group would optimise its money lending procedures by, among others, establishing a credit committee and introducing a four-tier approval system; diversify its clientele by engaging three referral agents to source new customers, and strengthen its loan financing services team.

Trading and Manufacturing Business:

To promote the profit margin of the Group, the Group would commence and develop its New Production Model such that the sales derived from the New Production Model would account for 35% of the revenue of the Trading and Manufacturing Business by the end of 2021. In this connection, the Group would cooperate with design house(s) for the production and marketing of loudspeakers and other electronic products featuring licensed cartoon or comic characters. The cooperation is expected to help broaden the product mix and the customer base of the Group. The Group would enter into framework agreements with its current major customers to strengthen the relationship with them.

Securities Brokerage Business:

The Group intends to increase the profitability for the segment by expanding its margin financing business by the end of 2019. The Group would apply the funds raised from equity market or by other means, such as the net proceeds of sale of its investment in securities in other listed company, to achieve the aim. The Group is going to launch its first fund to professional investors in Hong Kong.

Property Investment Business:

The Group intends to continue to seek property investment opportunities primarily in Hong Kong and PRC. The Group intends to divest the commercial property currently held by it when suitable opportunity arises and continue to receive rental income in the meantime. As part of the effort to expand its investment portfolio, the Group also agreed to acquire the Resort.

Securities Trading and Investment Business:

The Group may divest securities in other listed companies and make new investments should suitable opportunities arise.

Hotel Operation Business:

The Group started the business in late 2018 in Guiyang, PRC. The Group will continue making assessment and make new investments should suitable opportunities arise in this field.

LIQUIDITY AND CAPITAL RESOURCES

As at 31 December 2018, the Group's bank and cash balances was approximately HK\$40.25 million (2017: approximately HK\$63.79 million), representing a decrease of 36.90%. There was other borrowings of approximately HK\$5.03 million as at 31 December 2018 (2017: Nil).

As at 31 December 2018, the current ratio (current assets/current liabilities) was 10.69 times (2017: 7.41 times) and the net current assets amounted to approximately HK\$500.77 million (2017: approximately HK\$477.47 million).

SHARE OPTION

The board of directors (the "Directors") of Lamtex Holdings Limited (the "Company") (the "Board") hereby announces that on 20 December 2016, the Company has granted share options (the "Options") under its share option scheme adopted on 25 May 2012 (the "Share Option Scheme") 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 (the "Share(s)") of US\$0.005 each in the share capital of the Company as stated in the announcement dated 20 December 2016.

On 8 May 2018, the Company has granted the Options under the Share Option Scheme adopted on 25 May 2012 to certain eligible grantees, which, subject to acceptance by the grantees, will enable the grantees to subscribe for an aggregate of 98,800,000 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 8 May 2018. 1,000,000 Options were lapsed during the year ended 31 December 2018 and there were 120,630,000 Options outstanding as at 31 December 2018 under the Share Option Scheme.

CAPITAL STRUCTURE

During the reporting year, the placement exercise in March increased the number of issued shares by 170,000,000. In addition, there were in total 392,982,456 convertible bonds converted into shares from the Two-year 2% Coupon Convertible Bonds issued on 19 January 2017. As at 31 December 2018, the number of the Company's issued shares was 1,737,959,035 shares.

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

As at 31 December 2018, the Group had no outstanding convertible bonds. The Group's gearing ratio was nil which calculated on the basis of convertible bonds (31 December 2017: 23.61%) and total equity of approximately HK\$607.99 million (31 December 2017: approximately HK\$474.29 million).

MATERIAL CONTINGENT LIABILITIES

The Group is not aware of any material contingent liabilities as at 31 December 2018.

PLEDGE OF ASSETS

At the end of the reporting year, the Group had not pledged any assets (2017: nil).

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"). 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.

EMPLOYEES AND REMUNERATION POLICIES

As of 31 December 2018, the Group had approximately 900 (2017: approximately 945) full time management, administrative and operation staff in the PRC and Hong Kong.

The Group provides competitive remuneration packages with attractive discretionary bonus to employees. The Group regularly reviews its remuneration packages in light of the overall development of the Group as well as the market conditions. In addition, the Group has adopted a share option scheme for eligible employees (including directors) to provide incentives to those with outstanding performance and contribution to the Group.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE AND LISTING RULES

During the year, the Company has complied with the Corporate Governance Code (the “Code”) as contained in Appendix 14 of the Listing Rules, except for deviations from Code Provision A.6.7 and Code Provision E.1.2.

1. Code Provision A.6.7 stipulates that independent non-executive directors and other non-executive directors should attend general meeting. Due to other important business engagements at the relevant time, not all independent non-executive directors and non-executive directors attended the special general meeting held on 28 April 2018.
2. Code Provision E.1.2 stipulates that the chairman of the board should attend the annual general meeting. Due to other important business engagements at the relevant time, the chairman did not attend the annual general meeting held on 28 May 2018.

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 to 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 provisions of the Model Code during the year ended 31 December 2018.

AUDIT COMMITTEE

The audit committee comprises three INEDs, namely Dr. LOKE Yu alias Loke Hoi Lam, Mr. TSE Long and Mr. ZENG Zhaolin. It is principally responsible for reviewing the accounting principles and practices adopted by the Group, as well as discussing and reviewing with management the internal control, systems of risk management, auditing and financial reporting matters of the Group. The audit committee has reviewed the audited annual results of the Group for the year ended 31 December 2018.

EVENT AFTER THE REPORTING PERIOD

On 28 February 2019, the Company completed the acquisition of the entire issued share capital of JMC Investments Ltd with reference to the announcements dated 25 July 2018, 26 July 2018, 10 September 2018, 30 November 2018 and 28 February 2019.

The Acquisition will further strengthen the Group's position and strength in property investment by enabling the Group to diversify its property investment portfolio and seek subsequent potential buyers or investors. The Acquisition will also help the Group expand its coverage in the South America region.

SCOPE OF WORK OF ZHONGHUI ANDA CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2018 as set out in the preliminary announcement have been agreed by the Group's auditor, ZHONGHUI ANDA CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2018. The work performed by ZHONGHUI ANDA CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by ZHONGHUI ANDA CPA Limited on the preliminary announcement.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year, neither the Company, nor any of its subsidiaries had purchased, sold, or redeemed any of the Company's listed securities.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 December 2018.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement will be published on the website of the Stock Exchange at www.hkex.com.hk and the Company's website. The 2018 Annual Report will be despatched to our shareholders and published on the aforesaid websites in due course.

APPRECIATION

On behalf of the Board, my sincere thanks to our loyal shareholders, suppliers and customers for their continuous support to the Group. I would also extend my gratitude and appreciation to our management and all staff for their hard work and dedication throughout the year.

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

Hong Kong, 27 March 2019

As at the date of this announcement, the Board comprises three Executive Directors, namely, Mr. Tse Ping (Chairman), Mr. Xiao Linjun and Mr. Wu Xiaolin; two Non-Executive Directors, namely Ms. Zang Yanxia and Mr. Liu Zhanqing; and three Independent Non-Executive Directors, namely Mr. Zeng Zhaolin, Dr. Loke Yu (alias Loke Hoi Lam) and Mr. Tse Long.