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**A-MAX HOLDINGS LIMITED**  
**奧瑪仕控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code : 959)**

## **ANNOUNCEMENT**

### **VERY SUBSTANTIAL ACQUISITION RELATING TO FINANCIAL ASSISTANCE**

#### **ADVANCE TO ENTITY UNDER RULE 13.13 OF THE LISTING RULES**

#### **PLACING OF NEW SHARES**

#### **AND**

#### **RESUMPTION OF TRADING**

##### **LOAN AGREEMENT**

On 23 August 2007, the Company entered into the conditional Loan Agreement with Ace High whereby the Company will provide a term loan facility of up to HK\$3 billion to Ace High which in turn will on-lend the same amount to AMA to operate the junket business in Macau.

The Loan will carry interest at the prime lending rate as quoted by the Hongkong and Shanghai Banking Corporation Limited in Hong Kong from time to time plus 2% per annum. Ace High may make a drawing or drawings on the loan amount within six months from the date the Loan Agreement becomes unconditional (or such other period as shall be allowed by the Company) after prior consultation with the Company.

Pursuant to the Loan Agreement, within six months from the date thereof or such later date as the parties may agree in writing, the Company shall have the right, at its absolute discretion, by giving not less than three days' notice in writing to Ace High, to capitalize HK\$50,000,000 of the principal amount of the Loan for an allotment and issue of such number of new shares of Ace High representing 99.99% of the enlarged issued share capital of Ace High on a fully diluted basis.

The entering into of the Loan Agreement constitutes a very substantial acquisition for the Company under Chapter 14 of the Listing Rules, and is subject to the approval of the Shareholders.

As the asset ratio of the Loan is greater than 8% and thus the Loan constitutes an advance to an entity for the Company under Rule 13.13 of the Listing Rules.

## **PLACING AGREEMENT**

On 7 September 2007, the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Placing Agent shall place the Placing Shares on a best efforts basis to not less than six placees, which will be professional, institutional or other private investors and Independent Third Parties.

The Placing Price will be agreed between the Company and the Placing Agent in writing which shall not be lower than (i) HK\$0.18; and (ii) shall not represent a discount of 20% or more to the average closing price of the Shares in the five trading days immediately prior to the date on which the Placing Price is fixed. For the purpose of illustration only, assuming that the Placing Price will be HK\$0.18, it will represent (a) a discount of approximately 15.10% to the closing price of HK\$0.212 per Share as quoted on the Stock Exchange on 12 July 2007, being the last trading day immediately before the entering into of the Placing Agreement; (b) a discount of approximately 17.05% to the average closing price of approximately HK\$0.217 per Share as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including 12 July 2007, being the last trading day immediately before the entering into of the Placing Agreement; and (c) a discount of approximately 15.89% to the average closing price of approximately HK\$0.214 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including 12 July 2007, being the last trading day immediately before the entering into of the Placing Agreement.

The Placing Shares shall be such number of new Shares to be placed by or on behalf of the Placing Agent (and/or other placing agents (if applicable)) as agent(s) for the Company which in aggregate shall not exceed the number derived from HK\$3 billion divided by the Placing Price. The exact number of Placing Shares shall be determined by the Company. For the purpose of illustration only, assuming that the Placing Shares will be issued at the price of HK\$0.18, 16,666,666,667 Placing Shares will be placed under the Placing. Such number of Placing Shares represents approximately 148.75% of the Company's issued share capital as at the date of this announcement and will represent approximately 59.80% of the share capital of the Company as enlarged by the Placing Shares.

The expected net proceeds from the Placing, after deducting the placing commission and all relevant fees and expenses is approximately HK\$2.94 billion (subject to the then market conditions) which will be applied as the Loan to be granted to Ace High under the Loan Agreement.

## **GENERAL**

The Company will seek the approval of the Shareholders at the SGM relating to the Loan Agreement and the Placing Agreement.

Trading in the Shares was suspended at the request of the Company from 9:30 a.m. on 13 July 2007 pending the release of this announcement. The Company has applied for the resumption of trading in the Shares with effect from 9:30 a.m. on 11 September 2007.

***Shareholders and potential investors should note that the Placing, which is subject to satisfaction of a number of conditions, may or may not be completed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the securities of the Company.***

## **INTRODUCTION**

Since the suspension of trading in the Shares on 13 July 2007, the Company has taken action to finalize the terms of the Loan Agreement, the Placing Agreement and the transactions contemplated thereunder which will increase the Company's engagement in the gaming and entertainment business in Macau. On 23 August 2007, the Company entered into the conditional Loan Agreement with Ace High whereby the Company will provide a term loan facility of up to HK\$3 billion to Ace High which in turn will on-lend the same amount to AMA to operate the junket business in Macau. Junket business is a terminology of the gaming industry for the activity of marketing and promotion of games of fortune and chance and of other games in casinos whereby junkets will introduce or bring in gaming players by themselves or through their collaborators to play at casinos, and the gaming operators will pay commissions to the junkets for those services based on the aggregate amount of non-negotiable chips purchased by the junkets less the non-negotiable chips returned by the junkets to the gaming operators of the casinos.

## **LOAN AGREEMENT**

### **Date**

23 August 2007

### **Parties**

- (1) The Company, as the lender
- (2) Ace High, as the borrower and is an Independent Third Party

### **Principal Terms**

Loan amount:	Up to a maximum aggregate amount of HK\$3 billion (or such other amount as may be agreed by the parties thereto in writing).
Availability period:	Ace High may make a drawing or drawings on the loan amount within six months from the date the Loan Agreement becomes unconditional (or such other period as shall be allowed by the Company) after prior consultation with the Company.
Interest rate:	The prime lending rate as quoted by the Hongkong and Shanghai Banking Corporation Limited in Hong Kong from time to time plus 2% per annum. Interest will be payable once every six months in arrears.
Conditions precedent:	The Loan Agreement is subject to the fulfillment of the following conditions that: <ol style="list-style-type: none"><li>a. the Company being in its reasonable discretion satisfied with the results of the due diligence reviews in respect of AMA and Ace High including but not limited to the affairs, business, legal and financial structures of AMA and Ace High;</li></ol>

- b. the Company shall have received to its reasonable satisfaction a Macanese legal opinion on the legality and validity of the First Profit Transfer Agreement and the transactions contemplated thereunder;
- c. the Shareholders shall have approved the Loan Agreement and the transactions contemplated thereunder;
- d. completion of the Placing shall have taken place;
- e. Mr. Albino shall have executed a share mortgage (in form and substance satisfactory to the Company) in favour of the Company wherein Mr. Albino shall charge or mortgage 100% of the total issued share capital of Ace High held by him to the Company;
- f. Mr. Albino shall have executed a deed of guarantee (in form and substance satisfactory to the Company) in favour of the Company wherein Mr. Albino shall guarantee the due performance of the obligations of Ace High under the Loan Agreement; and
- g. all relevant approvals and consents from governmental or other competent authorities relating to the Loan Agreement and the transactions contemplated thereunder shall have been obtained.

The Company may in its absolute discretion waive any of the conditions precedent by notice in writing to Ace High if the applicable laws, rules and regulations so permit. If any of the above conditions precedent is not fulfilled or waived within 30 days from the date of the Loan Agreement or such later date as the parties may agree, the Loan Agreement will lapse and become null and void.

**Repayment:** On demand by the Company provided that Ace High is not allowed to early repay the Loan or any part thereof.

Such restriction is for the benefits of the Company and the Shareholders as the Company can continue to have the repayment of interest accruing on the Loan. Since the Loan is repayable on demand, the Company can demand Ace High to repay at anytime. However, there is no repayment schedule or due date for Ace High to repay the Loan.

**Securities:** (i) a share mortgage executed by Mr. Albino in favour of the Company relating to the 100% of the total issued share capital of Ace High held by him and (ii) a deed of guarantee executed by Mr. Albino in favour of the Company.

**Use of loan proceeds:** The proceeds of the loan shall be applied by Ace High towards the operating capital of AMA in carrying out the junket business in Macau but not otherwise.

Capitalization: Within the period of six months from the date of the Loan Agreement or such later date as the parties may agree in writing, the Company shall have the right, at its absolute discretion, by giving not less than three days' notice in writing to Ace High, to capitalize HK\$50,000,000 of the principal amount of the Loan for an allotment and issue of such number of new shares of Ace High representing 99.99% of the enlarged issued share capital of Ace High on a fully diluted basis.

The capitalization amount and the Company's percentage of interests in Ace High after capitalization have been determined after arm's length negotiations between the Company, Ace High and Mr. Albino with reference to (i) the estimated Profits that will be generated by AMA based on the aggregate Minimum Turnover undertaken by the collaborators of AMA under the Gaming Intermediary Agreements; and (ii) the funding of the operating capital for AMA's junket business by way of the Loan.

The capitalization may constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules. If the Company decides to exercise the capitalization right, it will comply with the relevant disclosure and/or shareholders approval requirements of the Listing Rules as and when appropriate.

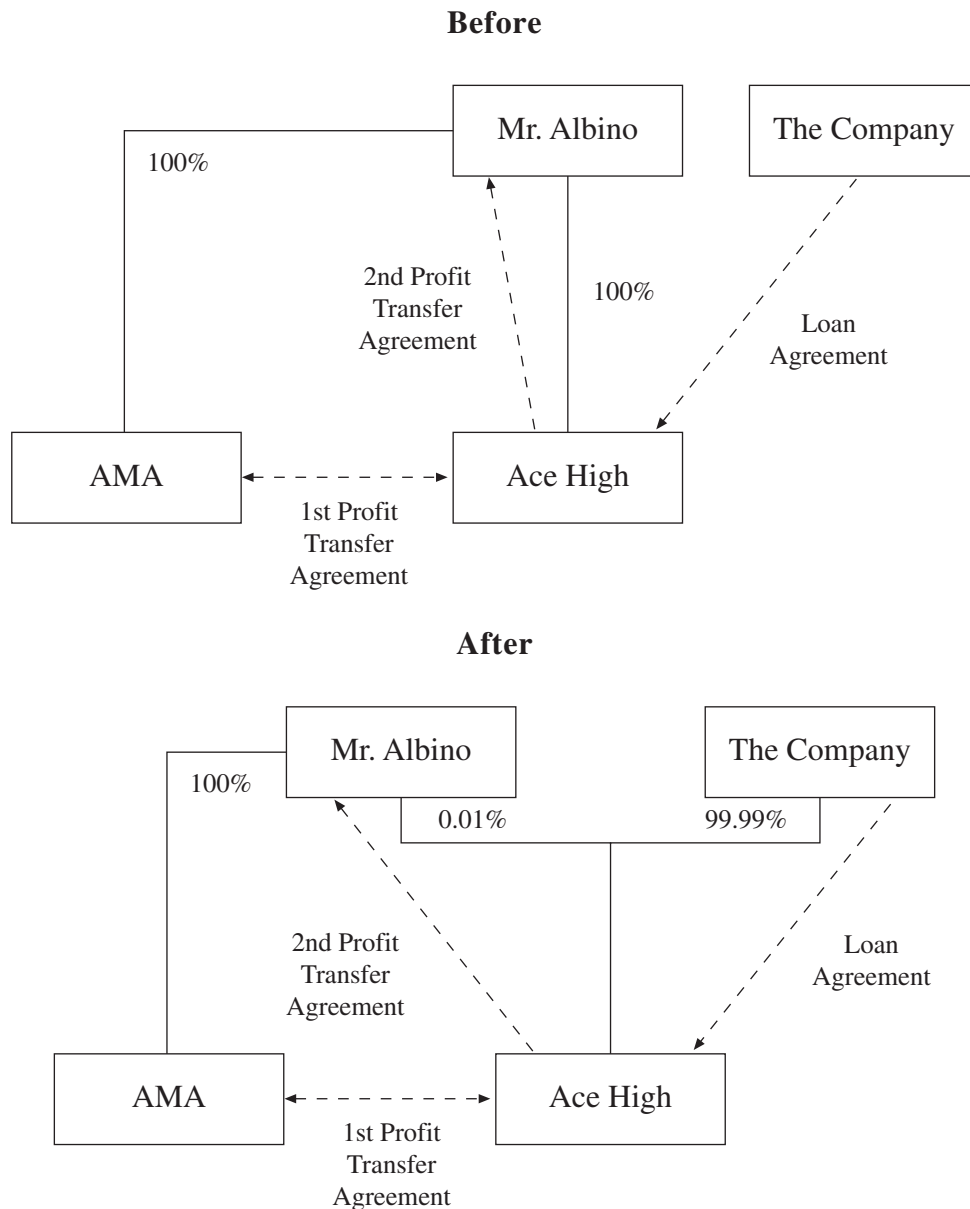
Other terms: The Loan Agreement contains, among other things, the following provisions to safeguard the interests of the Company:

- a. unless agreed by the Company, Ace High shall not make any distribution in cash or specie to holders of its shares;
- b. Ace High shall and shall procure AMA keep full and adequate books of account and other records reflecting the results of their respective operation on an accrual basis in local currency in accordance with the requirements of the laws of Macau or the place where it carries out its business (as the case may be). The books of account and all other records of Ace High and AMA (including the monthly junket representative settlement forms signed off by the casinos from time to time) shall be available to the Company or its duly authorized representatives for examination, audit, inspection and transcription without any restriction; and
- c. the Company shall be entitled to appoint representatives to attend the monthly settlements of commissions between the casinos and AMA and review the junket representative settlement form for each month. Ace High shall be obliged to make all necessary arrangement with AMA and other parties accordingly.

The terms of the Loan Agreement, in particular, the maximum amount of the Loan was determined by the parties after arm's length negotiations with reference to the estimated operating capital requirement of AMA under the Gaming Promotion Agreement and the Gaming Intermediary Agreements. The Gaming Promotion Agreement is a confidential document and its major terms cannot be disclosed to the public. Based on its current participation and experience in the gaming industry in Macau, the Company estimates that approximately HK\$30 million will be required as operating capital for each VIP gaming table among which approximately HK\$15 million will be used for the purchase of non-negotiable chips from the relevant gaming operator, approximately HK\$10 million for the prepayment of commissions of the collaborators and HK\$5 million to meet unexpected increase in business. As AMA plans to operate a minimum of 100 VIP gaming tables at all times, an estimated operating capital requirement of HK\$3 billion is needed.

**Relationships Before and After Capitalization**

The following diagrams illustrate the simplified relationships between the Company, AMA, Ace High and Mr. Albino immediately before and after the Company's exercise of the right of capitalization under the Loan Agreement:



## **INFORMATION ON AMA AND ACE HIGH**

AMA is the holder of a junket license to carry out the junket business in Macau and the license is valid until 31 December 2007. The duration of every junket license granted by the Macau Government will be to 31 December of each year which is renewable annually. Junket licenses will be granted to natural persons or Macau companies with shareholders who are natural persons. In relation to the requirements for obtaining a junket licence, the applicant needs to comply with the probity requirements. If the applicant is a corporation, the probity requirements also apply to its shareholders with 5% or more of the share capital, and the applicant's key employees. The competent authorities of the Macau Government will consider the information provided by the applicant in the questionnaire submitted with the application, including its corporate, business and financial information, information regarding its key employees and shareholders, judicial litigation and governmental investigation, bankruptcy and insolvency, its previous experience in junket business, so as to determine if the applicant fulfills the probity requirements. For a corporate applicant, information of its shareholders with 5% or more of the share capital is required. The investigation on the application will also take into consideration its key employees, including their personal and family background, their financial information and civil proceedings or criminal investigation that they may be involved in.

AMA specializes in introducing gaming players to the high roller gaming areas in casinos in Macau. Mr. Albino is the sole owner of the entire interests in AMA. Mr. Albino is an Independent Third Party. Since 1997, Mr. Albino has been employed as a coordinator of New Century Hotel in Macau and the Greek Mythology Casino located therein. He is responsible for providing administrative support to the managers of the New Century Hotel and the Greek Mythology Casino, and overseeing the daily operation of the same.

Mr. Albino is also the sole owner of the entire issued share capital of Ace High. Mr. Albino purchased Ace High from an Independent Third Party engaging in the business of forming or incorporating shell companies. AMA and Ace High have entered into the First Profit Transfer Agreement whereby Ace High has agreed to provide for an indefinite term all the operating capital of AMA that will be needed to develop the junket business under the Gaming Promotion Agreement, and AMA in return has agreed to transfer all the Profits to Ace High. AMA will not be a subsidiary of Ace High by virtue of the First Profit Transfer Agreement and the results of AMA will not be consolidated into the accounts of Ace High. The principal assets of AMA are the junket license and its rights and interests of and in the Gaming Promotion Agreement and the Gaming Intermediary Agreements. The principal asset of Ace High is its rights and interests of and in the First Profit Transfer Agreement.

Since Mr. Albino's personal interests lie with the success and failure of the junket business of AMA, and as an incentive for Mr. Albino to carry out the junket business in a prudent and efficient manner, Ace High and Mr. Albino have entered into the Second Profit Transfer Agreement whereby 20% of the Profits received by Ace High (before any payment of interest accruing on the Loan) from time to time will be transferred to Mr. Albino or a company nominated by him. The Second Profit Transfer Agreement shall continue to be valid and subsisting after the Company has exercised the right of capitalization under the Loan Agreement. Accordingly, only 80% of the Profits will ultimately be retained by Ace High.

Ace High will provide AMA with the operating capital to carry out the junket business from the loan proceeds to be received by it from the Loan Agreement.

## **OPERATING MECHANISM OF JUNKET BUSINESS BY AMA**

AMA has entered into 10 Gaming Intermediary Agreements with the collaborators which are all Independent Third Parties. Pursuant to each Gaming Intermediary Agreement, the relevant collaborator will introduce and bring gaming players to play at casinos in Macau designated by AMA. Such gaming players will play at the VIP gaming rooms or tables located at the casinos and will involve considerably higher stake wagers than those on the mass market gaming floor. The relevant collaborator will normally give 24-hour prior notice to AMA specifying the names and particulars of the gaming players together with the estimated required non-negotiable chips. AMA will then forward the information of the gaming players to such casinos. On 21 August 2007, AMA entered into the Gaming Promotion Agreement with the Gaming Operator. Therefore, the gaming players introduced and brought by the collaborators will primarily play at the casino operated by the Gaming Operator.

AMA will arrange to use its own funds to purchase the non-negotiable chips from the Gaming Operator under the Gaming Promotion Agreement for resale to the collaborators. The amount of non-negotiable chips resold to the collaborators will be settled by them immediately in cash or by cashier's order(s) drawn by licensed bank(s) in favour of AMA. The gaming players introduced and brought by the collaborators will then bet with the non-negotiable chips purchased from AMA. If a player loses, the non-negotiable chips will go to the casino. If a player wins, the casino will pay the gain to him or her in the traditional cash chips. The collaborators may purchase additional non-negotiable chips from AMA for betting by the gaming players. Each collaborator will have separate agreement or arrangement with the gaming players for settlement of the non-negotiable chips provided by such collaborator. The non-negotiable chips can neither be converted into cash nor be redeemed for other goods or services by the collaborators or the gaming players directly. Therefore, when the gaming players finish playing at the casino, the collaborators will return the unused non-negotiable chips to AMA for cash. AMA is also entitled to return the unsold non-negotiable chips to the casino for cash.

Under the Gaming Promotion Agreement, the Gaming Operator will pay commission and bonus to AMA on a monthly basis by reference to the agreed thresholds of the AMA Turnover in a month which represents the aggregate amount of non-negotiable chips purchased by AMA less the non-negotiable chips returned by AMA to the Gaming Operator. The percentages are on a sliding scale ranging from 1.2% to 1.35% of the AMA Turnover such that the greater the AMA Turnover in a month, the higher the percentage of commission and bonus to be paid to AMA. The rates of the commission and bonus under the Gaming Promotion Agreement were agreed between the Gaming Operator and AMA after arm's length negotiations taking into account the prevailing rates offered by other gaming operators in Macau.

Under each Gaming Intermediary Agreement, AMA will pay commission to the relevant collaborator on a monthly basis at the rate of 0.9% of the aggregate amount of Collaborator Turnover. If the aggregate amount of Collaborator Turnover in a month reaches the Minimum Turnover agreed under the relevant Gaming Intermediary Agreement, AMA will pay the collaborator a bonus of 0.3% of the amount of Collaborator Turnover in that month. The rates of the commissions and bonuses under the Gaming Intermediary Agreements were agreed between AMA and the collaborators after arm's length negotiations taking into account the prevailing rates offered by other junkets in Macau. AMA is obliged under each Gaming Intermediary Agreement to prepay commission to the relevant collaborator at the rate of 0.9% of the amount of Collaborator Turnover from time to time. The net amount of commission and bonus of each month will be paid on the 2nd day of the immediately succeeding month after setting off against the prepaid commission already given to the



collaborator. As the prepaid commissions will only be calculated at the agreed rate of 0.9% without taking into account of the possible bonuses, AMA will not overpay commissions to the collaborators. AMA will be benefited from earning the Profits which represent the difference between the commission and bonus receivable from the Gaming Operator under the Gaming Promotion Agreement and the commissions and bonuses payable to the collaborators under the Gaming Intermediary Agreements.

In order to control the flow of funds, AMA will set up its own shroff office at the relevant casino to keep the monies and chips which will be operated by AMA's employees or representatives. The non-negotiable chips resold by AMA to each collaborator and returned by such collaborator to AMA will be processed and recorded by AMA's employees or representatives. They will also carry out reconciliation of the accounts on a daily basis. Full accounting books will be prepared and kept in AMA's main office which will be available for inspection by the Company from time to time.

Pursuant to the Loan Agreement, the books of account and all other records of Ace High and AMA (including the monthly junket representative settlement forms signed off by the casinos from time to time) shall be available to the Company or its duly authorized representatives for examination, audit, inspection and transcription without any restriction. As such, the Company will be fully aware of the financial and business positions of AMA and Ace High. The Company will also procure Ace High to arrange representative of the Company to be joint signatory to the bank accounts of AMA and Ace High respectively such that the Company will have sufficient control of the funds of AMA and Ace High respectively.

## **IMPLICATIONS UNDER THE LAWS OF HONG KONG AND THE LISTING RULES**

Based on the opinion of the Hong Kong legal advisers of the Company, as the gaming activities of the gaming players introduced and brought by the collaborators under the Gaming Intermediary Agreements in casinos will take place outside Hong Kong and the bookmaking transactions and the parties to the transactions are outside Hong Kong, the junket business carried out by AMA will not be subject to the Gambling Ordinance (Chapter 148 of the Laws of Hong Kong). Further, the Macau legal advisers of the Company which is an Independent Third Party, having considered the relevant documents and the applicable laws, rules and regulations, have opined that AMA is validly licensed to act as a junket in Macau and the junket business carried out by AMA, the arrangements under the Gaming Promotion Agreement and the First Profit Transfer Agreement, all comply with the applicable laws in Macau.

Shareholders should be aware that under the guidelines issued by the Stock Exchange in relation to "Gambling activities undertaken by listing applicants and/or listed issuers" dated 11 March 2003, should the Group directly or indirectly be engaged in gambling activities and operation of such gambling activities (i) fail to comply with the applicable laws in the areas where such activities operate; and/or (ii) contravene the Gambling Ordinance, the Company or its business may be considered unsuitable for listing under Rule 8.04 of the Listing Rules. The Stock Exchange may direct the Company to take remedial action, and/or may suspend dealings in, or may cancel the listing of, the Shares.

In relation to the prevention of money laundering activities, as AMA is licensed to operate the junket business by the competent authorities in Macau and the amount of turnover will be properly registered by AMA, the gaming activities and businesses are subject to stringent control and regulation of the Macau Government. As the activities are under the regulation of the Macau Government, the Directors consider that the activities AMA participates in should be legal and lawful and thereby the income derived from such activities should also be lawful and proper. The Company will also review its internal control systems and consider to adopt the guideline issued by the Hong Kong Monetary Authority in formulating its anti-money laundering policy.

## **REASONS FOR AND BENEFITS OF THE LOAN AGREEMENT**

Pursuant to the First Profit Transfer Agreement and the Second Profit Transfer Agreement, Ace High will be benefited from the Profits. The Company has been advised by AMA that the aggregate Minimum Turnover under the Gaming Intermediary Agreements is approximately HK\$77.4 billion each month which have been agreed between AMA and the respective collaborators with reference to their track records. Given the size of the aggregate Minimum Turnover undertaken by the collaborators under the Gaming Intermediary Agreements respectively, if such Minimum Turnover is reached by the collaborators, substantial revenue and profits will be generated therefrom.

Under the Loan Agreement, the Company will be entitled to interest accruing on the Loan. Further, the Company has the right to capitalize part of the Loan under the Loan Agreement, and upon its exercise, the Company will practically own the entire enlarged issued share capital of Ace High which is the beneficiary of 80% of the Profits pursuant to the terms of the First Profit Transfer Agreement and the Second Profit Transfer Agreement.

Having taken into account the terms of the Loan Agreement and the profitability of AMA and Ace High, the Directors consider that the terms of the Loan Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **PLACING AGREEMENT**

### **Date**

7 September 2007

### **Issuer**

The Company

### **Placing Agent**

The Placing Agent, an Independent Third Party

The Company may appoint additional placing agent(s) to place part of the Placing Shares. Further announcement will be issued by the Company upon signing of placing agreement(s) with additional placing agent(s).

## **Placees**

The Placing Agent shall place the Placing Shares on a best efforts basis to not less than six placees, which will be professional, institutional or other private investors and Independent Third Parties. It is expected that none of the placees will become substantial Shareholder immediately after the Placing.

## **Placing Price**

The Placing Price will be agreed between the Company and the Placing Agent in writing which shall not be lower than (i) HK\$0.18; and (ii) shall not represent a discount of 20% or more to the average closing price of the Shares in the five trading days immediately prior to the date on which the Placing Price is fixed. In this regard, the Company and the Placing Agent will use reasonable endeavours to agree the Placing Price as soon as practicable.

For the purpose of illustration only, assuming that the Placing Price will be HK\$0.18, it will represent:

- (a) a discount of approximately 15.10% to the closing price of HK\$0.212 per Share as quoted on the Stock Exchange on 12 July 2007, being the last trading day immediately before the entering into of the Placing Agreement;
- (b) a discount of approximately 17.05% to the average closing price of approximately HK\$0.217 per Share as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including 12 July 2007, being the last trading day immediately before the entering into of the Placing Agreement; and
- (c) a discount of approximately 15.89% to the average closing price of approximately HK\$0.214 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including 12 July 2007, being the last trading day immediately before the entering into of the Placing Agreement.

## **Placing Shares**

The Placing Shares shall be such number of new Shares to be placed by or on behalf of the Placing Agent (and/or other placing agents (if applicable)) as agent(s) for the Company which in aggregate shall not exceed the number derived from HK\$3 billion divided by the Placing Price. The exact number of Placing Shares shall be determined by the Company which will not exceed 16,666,666,667 new Shares. Further announcement will be made once the Placing Price and the number of the actual Placing Shares are confirmed.

For the purpose of illustration only, assuming that the Placing Shares will be issued at the price of HK\$0.18, 16,666,666,667 Placing Shares will be placed under the Placing. Such number of Placing Shares represents approximately 148.75% of the Company's issued share capital as at the date of this announcement and will represent approximately 59.80% of the share capital of the Company as enlarged by the Placing Shares.

**Shareholders and potential investors should note that the above information is for illustrative purposes only. The exact number of Placing Shares to be placed under the Placing and the final Placing Price are subject to further discussion/negotiation and agreement between the Company and the Placing Agent.**

## **Ranking of the Placing Shares**

The Placing Shares will be issued as fully paid and will rank pari passu in all respects with the Shares in issue immediately prior to their issue.

## **Placing Commission**

The Placing Agent will receive a placing commission of 2% on the gross proceeds of the Placing Shares placed by it. The Directors consider that the placing commission is on normal commercial terms and is fair and reasonable.

## **Conditions**

Completion of the Placing is conditional upon by not later than 31 October 2007:

- (a) the Shareholders having approved the specific mandate and the placing of the Placing Shares under the Placing Agreement;
- (b) the Listing Committee of the Stock Exchange granting or agreeing to grant listing of and permission to deal in all of the Placing Shares;
- (c) the Bermuda Monetary Authority granting permission (if necessary) for the issue of, inter alia, the Placing Shares and the subsequent transfer of the same to and between persons regarded as non-residents of Bermuda for exchange control purposes for so long as the Placing Shares are listed on the Stock Exchange; and
- (d) all relevant approvals and consents from governmental or other competent authorities have been obtained.

If the Placing conditions are not fulfilled by the date specified above, the Placing will lapse and the obligations and liabilities of the Placing Agent and the Company under the Placing shall be null and void and the Placing Agent and the Company shall be released from all rights and obligations pursuant to the Placing.

## **Completion**

Completion of the Placing will take place on the second business day (a day other than a Saturday on which banks in Hong Kong are open for business) immediately following fulfillment of the Placing conditions or such other time as the Company and the Placing Agent may agree. The date of completion of the Placing will in any event not be later than 21 days after fulfillment of the Placing conditions.

## **Specific Mandate to Issue the Placing Shares**

The Placing Shares will be allotted and issued pursuant to the specific mandate sought to be granted to the Directors at the SGM.

## **Listing on the Stock Exchange**

The Company will make an application to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

## REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS

The expected gross proceeds from the Placing is HK\$3 billion (subject to the then market conditions). The expected net proceeds from the Placing, after deducting the placing commission and all relevant fees and expenses is approximately HK\$2.94 billion (subject to the then market conditions) which will be applied as the Loan to be granted to Ace High under the Loan Agreement.

The Directors believe that the terms of the Placing are fair and reasonable and in the interests of the Shareholders as a whole.

If the indication of the level of interests in the Placing is less than HK\$3 billion, the Company will still proceed with the Placing and the amount to be lent to Ace High will be adjusted accordingly. In such circumstances, the Company will also consider to raise further funds by other means as and when necessary.

## EFFECT OF THE PLACING

On the basis that 16,666,666,667 Placing Shares will be issued, the shareholding structure of the Company immediately before and after completion of the Placing are as follows:

Shareholders	Immediately prior to completion of the Placing		Immediately after completion of the Placing	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
The placees	–	–	16,666,666,667	59.80
Existing public Shareholders	<u>11,204,282,285</u>	<u>100.00</u>	<u>11,204,282,285</u>	<u>40.20</u>
	<u><u>11,204,282,285</u></u>	<u><u>100.00</u></u>	<u><u>27,870,948,952</u></u>	<u><u>100.00</u></u>

## FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Pursuant to the placing agreement dated 10 October 2006 entered into between the Company and Lippo Securities Limited, two lots of 586,412,155 new Shares each were issued by the Company on 25 October 2006 and 8 November 2006 respectively. The net proceeds from the placing of approximately HK\$97 million, among which HK\$48 million has been used to acquire the entire issued share capital of Jadepower Limited which is principally engaged in the operation of 204 electronic slot machines in the Greek Mythology Casino, HK\$20 million has been used to acquire the entire issued share capital of Thousand Ocean Investments Limited which is principally engaged in gaming activities and operation of high roller gaming area in the Greek Mythology Casino, and the balance of approximately HK\$29 million has been used as working capital of the Group. Save for the above, the Company has not conducted any equity fund raising activities in the past twelve months.

## **IMPLICATIONS UNDER THE LISTING RULES**

The entering into of the Loan Agreement by the Company constitutes a notifiable transaction for the Company under Chapter 14 of the Listing Rules. As the applicable percentage ratios for the Loan Agreement are above 100%, the entering into of the Loan Agreement constitutes a very substantial acquisition for the Company under Chapter 14 of the Listing Rules, and is subject to the approval of the Shareholders.

As the asset ratio of the Loan is greater than 8% and thus the Loan constitutes an advance to an entity for the Company under Rule 13.13 of the Listing Rules.

## **INFORMATION ON THE GROUP**

The Group is principally engaged in investment holding, gaming and entertainment business in Macau, and manufacture and sale of electronic consumer products, LCD modules and LCD panels.

## **GENERAL**

A circular containing, among other things, further details of the Loan Agreement, the Placing Agreement and a notice convening the SGM will be despatched to the Shareholders as soon as practicable.

## **SUSPENSION AND RESUMPTION OF TRADING**

Trading in the Shares was suspended at the request of the Company from 9:30 a.m. on 13 July 2007 pending the release of this announcement. The Company has applied for the resumption of trading in the Shares with effect from 9:30 a.m. on 11 September 2007.

*Shareholders and potential investors should note that the Placing, which is subject to satisfaction of a number of conditions, may or may not be completed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the securities of the Company.*

## **DEFINITIONS**

As used in this announcement, the following words and phrases have the same meanings assigned:

“Ace High”	Ace High Group Limited, a company incorporated in the British Virgin Islands in which Mr. Albino is the holder of 100% of its issued share capital
“AMA”	AMA International Limited, a company incorporated in Macau in which Mr. Albino is the holder of 100% of its interests
“AMA Turnover”	non-negotiable chips sold by the Gaming Operator to AMA to facilitate the gaming players introduced and brought by AMA and/or its collaborators to play at the casino operated by the Gaming Operator less the non-negotiable chips returned by AMA to the Gaming Operator

“Collaborator Turnover”	non-negotiable chips resold by AMA to the relevant collaborator to facilitate the gaming players introduced and brought by the collaborator to play at casinos designated by AMA less the non-negotiable chips returned by the collaborator to AMA
“Company”	A-Max Holdings Limited, a company incorporated in Bermuda with limited liability and whose Shares are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“First Profit Transfer Agreement”	the profit transfer agreement made between AMA and Ace High relating to (i) Ace High’s provision for an indefinite term of all the operating capital of AMA to develop the junket business under the Gaming Promotion Agreement and (ii) AMA’s transfer of all the Profits to Ace High
“Gaming Intermediary Agreements”	the 10 gaming intermediary agreements made between AMA and the collaborators respectively relating to the introduction and bringing of gaming players to play at casinos designated by AMA in Macau
“Gaming Operator”	a licensed gaming operator in Macau which is an Independent Third Party
“Gaming Promotion Agreement”	the gaming promotion agreement entered into, inter alia, between AMA and the Gaming Operator
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	an independent third party which is (i) not connected with any of the directors, chief executives, substantial shareholders of the Company or any of its subsidiaries or any of their respective associates; and (ii) not a connected person of the Company as defined in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan facility in the amount of up to HK\$3 billion to be granted by the Company to Ace High under the Loan Agreement
“Loan Agreement”	the loan agreement dated 23 August 2007 entered into between the Company and Ace High relating to the Loan
“Macau”	the Macau Special Administrative Region of the People’s Republic of China

“Minimum Turnover”	the minimum amount of Collaborator Turnover in each month as undertaken by a collaborator under the relevant Gaming Intermediary Agreement
“Mr. Albino”	Mr. Francisco Xavier Albino
“non-negotiable chips”	chips that a junket may purchase from or return to the relevant casino, and specifically designed for VIP players in order to allow the casinos to monitor the accurate VIP turnover
“Placing”	the proposed placing of the Placing Shares
“Placing Agent”	Head & Shoulders Securities Limited, an Independent Third Party, a licensed corporation under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to carry out type 1 (dealing in securities) regulated activity
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent relating to the Placing
“Placing Price”	the price per Placing Share
“Placing Shares”	such number of new Shares to be placed by the Company to finance the business under the Loan Agreement further particulars of which are set out in the sub-section headed “Placing Shares” under the section headed “Placing Agreement” in this announcement
“Profits”	the profits that will be generated by AMA from the junket business under the Gaming Promotion Agreement which represent the aggregate commissions and bonuses which range from 1.2% to 1.35% of the AMA Turnover payable by the Gaming Operator to AMA under the Gaming Promotion Agreement after deducting (a) the total commissions and bonuses which range from 0.9% to 1.2% of the Collaborator Turnover payable by AMA to its collaborators under the Gaming Intermediary Agreements or otherwise and (b) all the operational and administrative expenses incurred and tax payable to the Macau Government
“Second Profit Transfer Agreement”	the profit transfer agreement made between Ace High and Mr. Albino relating to the transfer of 20% of the Profits by Ace High to Mr. Albino or company nominated by him
“SGM”	the special general meeting of the Company to be held to consider the ordinary resolutions to be proposed to approve the Loan Agreement and the Placing Agreement
“Shareholders”	holders of the Shares from time to time



“Shares”	ordinary shares of HK\$0.001 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

By Order of the Board of  
**A-Max Holdings Limited**  
**Cheung Nam Chung, Brian**  
*Chairman*

Hong Kong, 10 September 2007

*As at the date of this announcement, the board of Directors comprises Mr. Cheung Nam Chung, Brian, Mr. Wan Kam Shing, Claude, Mr. Lam Cheok Va, Francis, Mr. Chan Chi Yuen, Ms. Li Wing Sze, Mr. Chen Zhiquan and Mr. Lee Keung Shing being the Executive Directors, and Mr. Chan Chiu Hung, Mr. Lee Tsz Hong and Mr. Ng Wai Hung being the Independent Non-executive Directors.*

*\* For identification purpose only*