

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

AMAX

Holdings Limited

AMAX HOLDINGS LIMITED

奧瑪仕控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 959)

(1) PROPOSED CHANGE OF AUDITORS
(2) PROPOSED SHARE CONSOLIDATION
AND
(3) PROPOSED REMOVAL OF DIRECTORS

PROPOSED CHANGE OF AUDITORS

The Board announced on 12 September 2012 that Baker Tilly has retired and ceased to act as the auditor of the Company with effect from 12 September 2012 and the Board proposes to appoint CCIF CPA Limited as the auditor of the Company to fill the vacancy arising from the above said retirement of Baker Tilly and to hold office until the conclusion of the next annual general meeting of the Company. Pursuant to the Bye-laws of the Company, appointment of new auditors is subject to the approval by the Shareholders at a special general meeting.

PROPOSED SHARE CONSOLIDATION

The Directors propose to implement the Share Consolidation on the basis that every twenty (20) Shares of HK\$0.01 each in the issued and unissued share capital of the Company will be consolidated into one (1) Consolidated Share of HK\$0.20 in the issued and unissued share capital of the Company. Fractional Consolidated Shares will be disregarded and not issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of share certificates held by such holder.

The Share Consolidation is subject to the Shareholders' approval at the SGM at which no Shareholders are required to abstain from voting on the resolution in relation to the Share Consolidation. A circular containing further details of the Share Consolidation and the notice of the SGM are expected to be dispatched to the Shareholders on 11 March 2013.

PROPOSED REMOVAL OF DIRECTORS

The Company on 28 February 2013 received a letter dated 28 February 2013 (the “Requisition Letter”) from individual substantial shareholder, requested the Board, by way of the Requisition Letter, to convene a special general meeting of the Company in accordance with the Bye-Laws for the purpose of considering and if thought fit, passing ordinary resolutions for the removal of Dr. Dingjie Wu (吳丁杰) and Mr. Li Li Tang (李禮堂) from the office of independent non-executive Directors.

PROPOSED CHANGE OF AUDITORS

The Board announced on 12 September 2012 that Baker Tilly has retired and ceased to act as the auditor of the Company with effect from 12 September 2012 after the proposed resolution to re-appoint Baker Tilly as the auditor of the Company was voted down in the annual general meeting of the Company held on 12 September 2012.

With the recommendation from the audit committee of the Company, the Board proposes to appoint CCIF CPA Limited as the auditor of the Company to fill the vacancy arising from the above said retirement of Baker Tilly and to hold office until the conclusion of the next annual general meeting of the Company. Pursuant to the Bye-laws of the Company, appointment of new auditors is subject to the approval by the Shareholders at a special general meeting.

Baker Tilly has confirmed that there were no matters that needed to be brought to the attention of the shareholders or creditors of the Company in connected with its retirement from the office of auditor of the Company. The Board also confirmed that it was not aware of any matters that should be brought to the attention of the Shareholders and creditors of the Company in relation to the retirement of Baker Tilly.

PROPOSED SHARE CONSOLIDATION

The Directors propose to implement the Share Consolidation on the basis that every twenty (20) Shares of HK\$0.01 each in the issued and unissued share capital of the Company will be consolidated into one (1) Consolidated Share of HK\$0.20 in the issued and unissued share capital of the Company. Fractional Consolidated Shares will be disregarded and not issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of share certificates held by such holder.

Effects of the Share Consolidation

As at the date of this announcement, the authorized share capital of the Company is HK\$80,000,000 divided into 8,000,000,000 Shares of HK\$0.01 each, of which 4,152,655,728 Shares have been allotted and issued as fully paid or credited as fully paid. Upon the Share Consolidation becoming effective, on the basis that the Company does not allot and issue any further Shares prior thereto, the authorized share capital of the Company shall remain at HK\$80,000,000 divided into 400,000,000 Consolidated Shares of HK\$0.20 each, of which 207,632,786 Consolidated Shares will be in issue.

The Consolidated Shares will rank pari passu in all respects with each other in accordance with the Company's memorandum of association and bye-laws. Other than the expenses, including professional fees and printing charges, to be incurred in relation to the Share Consolidation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or the interests or rights of the Shareholders, save for any fractional Consolidated Shares to which Shareholders may be entitled.

Listing Application

An application has been made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares to be in issue upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or, under contingent situation, such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

None of the securities of the Company is listed or dealt in on any other stock exchange other than the Stock Exchange and no such listing or permission to deal is being or is proposed to be sought.

Conditions of the Share Consolidation

The Share Consolidation will be completed upon fulfilling all the following conditions:

- (a) the passing of the necessary ordinary resolution by the Shareholders at the SGM of the Company to approve the Share Consolidation; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares arising from the Share Consolidation.

REASONS FOR THE SHARE CONSOLIDATION

The Board is of the opinion that the Share Consolidation would bring about a corresponding increase in the trading price of the Consolidated Shares and enable the Company to comply with the trading requirements of the Listing Rules. Accordingly, the Board is of the view that the Share Consolidation is in the interest of the Company and the Shareholders as a whole.

ARRANGEMENT ON ODD LOT TRADING

In order to facilitate the trading of odd lots of the Consolidated Shares, the Company will appoint a securities firm to provide matching service, on a best effort basis, for the sale and purchase of odd lots of Consolidated Shares arising from the Share Consolidation. Details of the odd lot arrangement will be set out in the circular to be despatched to the Shareholders.

EXCHANGE OF SHARE CERTIFICATES

Subject to the Share Consolidation becoming effective, Shareholders may submit share certificates for existing Shares to the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong, between Thursday, 28 March 2013 and Thursday, 9 May 2013 (both dates inclusive) during the business hours, to exchange, at the expense of the Company, for certificates of the Consolidated Shares. It is expected that the new certificates for the Consolidated Shares will be available for collection within 10 business days after the submission of the existing share certificates to the branch share registrar for exchange. Thereafter, the existing share certificates for the Shares will cease to be valid for delivery, trading and settlement purposes but will remain effective as documents of legal title and will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by Stock Exchange) per existing share certificate cancelled or new share certificate issued (whichever is the higher) by shareholders. The existing share certificates are in brown colour and the new share certificates will be in green colour.

ADJUSTMENTS TO THE OUTSTANDING SHARE OPTIONS

As at the date of this announcement, the Company has 89,000,000 outstanding Share Options carrying rights to subscribe for 89,000,000 Shares.

Save as disclosed above, the Company does not have any other outstanding Share Options, convertible notes or securities in issue which are convertible or exchangeable into Shares as at the date of this announcement.

The Company will notify the holders thereof by way of announcement regarding adjustments to be made (if any) pursuant to the terms of the Share Options. Further announcement will be made by the Company in this regard as and when appropriate.

Warning

Shareholders and potential investors should also be aware of and take note that the Share Consolidation is conditional upon satisfaction of the conditions precedent set out in the paragraph headed "Conditions of the Share Consolidation". Therefore, the Share Consolidation may or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

EXPECTED TIMETABLE

Set out below is the expected timetable for the implementation of the Share Consolidation.

Despatch of circular with notice of SGM Monday, 11 March 2013

Latest time for lodging the proxy forms
for use at the SGM 9:30 a.m., Monday, 25 March 2013

Date of SGM 10:30 a.m., Wednesday, 27 March 2013

Announcement of results of SGM Wednesday, 27 March 2013

Effective date for the Share Consolidation Thursday, 28 March 2013

First day for free exchange of existing share certificates
for new share certificates Thursday, 28 March 2013

Original counter for trading in Shares in board lots
of 2,000 Shares temporarily closes 9:00 a.m., Thursday, 28 March 2013

Temporary counter for trading in Consolidated Shares
in board lots of 200 Consolidated Shares
(in the form of existing share certificates) opens . . . 9:00 a.m., Thursday, 28 March 2013

Original counter for trading in Consolidated Shares
in new board lots of 2,000 Consolidated Shares
(in the form of new share certificates) re-opens 9:00 a.m., Tuesday, 16 April 2013

Parallel trading in Consolidated Shares in the form of
new share certificates and existing share
certificates commences 9:00 a.m., Tuesday, 16 April 2013

Designated broker starts to stand in the market to
provide matching services for odd lots of
Consolidated Shares 9:00 a.m., Tuesday, 16 April 2013

Temporary counter for trading in Consolidated Shares in
board lots of 200 Consolidated Shares
(in the form of existing share certificates) closes 4:00 p.m., Tuesday, 7 May 2013

Parallel trading in Consolidated Shares in the form of
new share certificates and existing share
certificates closes 4:00 p.m., Tuesday, 7 May 2013

Designated broker ceases to stand in the market to
provide matching services for odd lots of
Consolidated Shares 4:00 p.m., Tuesday, 7 May 2013

Last day for free exchange of existing share certificates
for new share certificates Thursday, 9 May 2013

PROPOSED REMOVAL OF DIRECTORS

The Company on 28 February 2013 received a letter dated 28 February 2013 (the “Requisition Letter”) from Mr. Ng, who is, based on a Form 1 — individual substantial shareholder notice filed by Mr. Ng on 28 February 2013 under Part XV of the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong), a Shareholder holding, as at 14 February 2013, not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company. Mr. Ng is of the view that Dr. Dingjie Wu and Mr. Li Li Tang have substantial differences in perspectives and missions that of the other members of the Board which adversely affects the future development of the Group. Thus, the proposed removal of Dr. Dingjie Wu and Mr. Li Li Tang would be in the best interests of the Group and its shareholders as a whole. Pursuant to the Requisition Letter, Mr. Ng requested the Board, by way of the written request, to propose to the Company in accordance with the Bye-Laws for the purpose of considering in the SGM and if thought fit, passing ordinary resolutions for:

1. the removal of Dr. Dingjie Wu (吳丁杰) from the office of independent non-executive Director with immediate effect;
2. the removal of Mr. Li Li Tang (李禮堂) from the office of independent non-executive Director with immediate effect.

Dr. Dingjie Wu and Mr. Li Li Tang disagreed with Mr. Ng’s view and opposed to the convening of the SGM to consider their removal. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, save for Dr. Dingjie Wu and Mr. Li Li Tang’s said disagreement with the Board, the Board is not aware of any matter in relation to the removal of Dr. Dingjie Wu and Mr. Li Li Tang that needs to be brought to the attention of the Shareholders of the Company.

DEFINITIONS

In this announcement, the following terms shall have the meanings respectively set opposite them unless the context requires otherwise:

“Baker Tilly”	Baker Tilly Hong Kong Limited
“Board”	the board of Directors;
“Bye-law(s)”	the Bye-laws of the Company, adopted on 2 September 1997 and as amended from time to time
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC;
“Company”	Amax Holdings Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange;
“Consolidated Share(s)”	ordinary share(s) of HK\$0.20 each in the share capital of the Company upon Share Consolidation becoming effective;
“Director(s)”	director(s) of the board of the Company;

“Existing Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company as at the date of this announcement;
“Group”	the Company and its subsidiaries;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“Hong Kong”	Hong Kong Special Administrative Region of PRC;
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the main board of the Stock Exchange;
“Mr. Ng”	Mr. Ng Man Sun (吳文新), who is, based on a Form individual substantial shareholder notice filed by Mr. Ng on 28 February 2013 under Part XV of the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong), a Shareholder holding, as at 14 February 2013, approximately 22.78% of the total issued share capital of the Company
“PRC”	the People’s Republic of China;
“SGM”	the special general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation;
“Share(s)”	the Existing Share(s) or the Consolidated Share(s), as the case may be;
“Share Consolidation”	the proposed consolidation of every twenty (20) Existing Shares into one (1) Consolidated Share;
“Share Options”	the share option(s) to subscribe for Shares under the share option scheme adopted by the Company on 12 September 2012
“Shareholder(s)”	holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“%”	per cent.

By Order of the Board
Amax Holdings Limited
Ng Man Sun
Chief Executive Officer and Chairman

Hong Kong, 8 March 2013

As at the date hereof, Mr. Ng Man Sun (Chairman and Chief Executive Officer) and Ms. Ng Wai Yee are the executive directors of the Company; and Dr. Wu Dingjie, Mr. Li Li Tang, Ms. Yeung Pui Han, Regina, Ms. Sie Nien Che, Celia and Mr. Li Chi Fai are the independent non-executive directors of the Company.

** for identification purpose only*