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AMAX

Holdings Limited

AMAX HOLDINGS LIMITED

奧瑪仕控股有限公司*

(Incorporated in the Bermuda with limited liability)

(Stock Code: 959)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



THE PLACING

On 4 June 2013 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent agreed to place, on a best effort basis, to one or more independent placee(s) for up to 9,600,000 new Shares of the Company at a price of HK\$0.83 per Placing Share.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the maximum number of 9,600,000 Placing Shares under the Placing represent (i) approximately 4.62% of the existing issued share capital of the Company of 207,632,786 Shares as at the date of this announcement; and (ii) approximately 4.42% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the Placing Shares under the Placing will be HK\$1.92 million.

The Placing Price of HK\$0.83 represents (i) a discount of approximately 2.4% to the closing price of approximately HK\$0.85 as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 7.2% to the average closing price of approximately HK\$0.89 in the last 5 trading days prior to the date of the Placing Agreement. The Placing Price also represents a discount of approximately 3.6% to the average closing price of approximately HK\$0.86 in the last 10 trading days prior to the date of the Placing Agreement.

The Placing is conditional upon, among other things, the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares. The gross proceeds from the Placing will be approximately HK\$7.97 million. The net proceeds from the Placing will amount to approximately HK\$7.85 million which is intended to be used for general working capital of the Group. The net price raised per Placing Share will be approximately HK\$0.82 per Share.

The Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date

4 June 2013 (after trading hours)

Issuer

The Company

Placing Agent

The Placing Agent has conditionally agreed to place, on a best effort basis, to one or more independent placee(s) for up to 9,600,000 new Shares of the Company at a price of HK\$0.83 per Placing Share and will receive a placing commission of 1.5% on the gross proceeds of the actual number of Placing Shares being placed. The Directors are of the view that the placing commission of 1.5% is fair and reasonable based on current market conditions and in the interests of the Company and the Shareholders as a whole. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Placee(s)

The Placing Agent agreed to place the Placing Shares to not fewer than six Placees who and whose ultimate beneficial owners are third parties independent of and are not connected with the Company and its connected persons. It is not expected that any individual Placee will become a substantial shareholder of the Company immediately after the Placing. In the event any of the Placees becomes a substantial shareholder after completion of the Placing, further announcement will be made by the Company.

Number of Placing Shares

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the maximum number of 9,600,000 Placing Shares under the Placing represent (i) approximately 4.62% of the existing issued share capital of the Company of 207,632,786 Shares as at the date of this announcement; and (ii) approximately 4.42% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the Placing Shares under the Placing will be HK\$1.92 million.

Ranking of Placing Shares

The Placing Shares under the Placing will rank, upon issue, *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.83 represents (i) a discount of approximately 2.4% to the closing price of HK\$0.85 as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 7.2% to the average closing price of approximately HK\$0.89 in the last 5 trading days prior to the date of the Placing Agreement. The Placing Price also represents a discount of approximately 3.6% to the average closing price of approximately HK\$0.86 in the last 10 trading days prior to the date of the Placing Agreement. The Placing Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the terms of the Placing are fair and reasonable based on the current market conditions and are in the interests of the Company and the Shareholders as a whole.

The Placing Shares

The Placing Shares will be issued under the General Mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the annual general meeting of the Company held on 12 September 2012 subject to the limit up to 20% of the then issued share capital of the Company as at the date of the AGM. Accordingly, the issue of the Placing Shares is not subject to the approval by the Shareholders. Under the General Mandate, the Company is authorized to issue up to 41,526,557 Shares under the General Mandate. Up to the date of this announcement, no Share has been issued under the General Mandate.

Conditions of the Placing Agreement

The Placing is conditional upon the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares under the Placing. An application will be made to the Stock Exchange for the listing of and permission to deal in the Placing Shares.

Completion of the Placing

Completion of the Placing, in any event, will take place within the fifth business days after the fulfillment of the conditions as set out in paragraph headed "Conditions of the Placing Agreement" above or such other date to be agreed between the Company and the Placing Agent in writing. If the above conditions are not satisfied by the Placing Agent before 28 June 2013 or such later date to be agreed between the Company and the Placing Agent in writing, the Placing will be terminated and will not proceed and all obligations and liabilities of the parties hereunder will forthwith cease and determine and no party will have any claim against the others (save for any antecedent breaches hereof).

The Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Directors consider the Placing represents an opportunity for the Company to raise capital while broadening its shareholder base as well as its capital base.

The aggregate gross and net proceeds from the Placing will be approximately HK\$7.97 million and approximately HK\$7.85 million, respectively. The Company intends to utilize the net proceeds from the Placing for general working capital of the Group. The net proceeds raised per Share upon completion of the Placing will be approximately HK\$0.82 per Share.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company did not raise any fund on issue of any equity securities in the 12-months period immediately before the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Placing is set out as below:

Shareholders	As at the date of this announcement		Immediately upon completion of Placing	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Placee(s)	—	—	9,600,000	4.42
Mr. Ng Man Sun (<i>Note 1</i>)	47,307,366	22.78	47,307,366	21.78
Other public Shareholders	<u>160,325,420</u>	<u>77.22</u>	<u>160,325,420</u>	<u>73.80</u>
Total	<u>207,632,786</u>	<u>100</u>	<u>217,232,786</u>	<u>100</u>

Notes:

1. Mr. Ng Man Sun is the chairman and chief executive officer of the Company.

GENERAL

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

TERMS AND DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meaning ascribed to them below:

“AGM”	the annual general meeting of the Company held on 12 September 2012;
“Board”	the board of Directors;
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules;

“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;
“Director(s)”	director(s) of the board of the Company;
“General Mandate”	the mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM;
“Group”	the Company and its subsidiaries;
“Hong Kong”	Hong Kong Special Administrative Region of PRC;
“Independent Third Party(ies) ”	third party(ies) independent of and not connected with the Company and its connected persons (has the meaning ascribed to it in the Listing Rules);
“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;
“Placee(s)”	any individual(s), institutional or other professional investor(s) or any of their respective subsidiaries or associates (including the Placing Agent itself) procured by the Placing Agent to purchase any of the Placing Shares pursuant to the Placing Agent’s obligations under the a Placing Agreement;
“Placing”	any individual(s), institutional or other professional investor(s) or any of their respective subsidiaries or associates (including the Placing Agent itself) procured by the Placing Agent to purchase any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement;
“Placing Agent”	SBI E2-Capital Financial Services Limited, a licensed corporation to carry on business in type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 4 June 2013 (after trading hours) in relation to the Placing;
“Placing Price”	HK\$0.83 per Placing Share;
“Placing Share(s)”	up to 9,600,000 new Shares to be placed pursuant to the Placing Agreement;
“PRC”	the People’s Republic of China;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);

“Share(s)”	the ordinary share(s) of HK\$0.2 in the share capital of the Company;
“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
Chairman and Chief Executive Officer

Hong Kong, 4 June 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 Ms. Yeung Pui Han, Regina, Mr. Li Chi Fai and Ms. Sie Nien Che, Celia are the independent non-executive directors of the Company.

* *for identification purpose only*