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## **AMAX INTERNATIONAL HOLDINGS LIMITED**

**奧瑪仕國際控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 959)**

### **ISSUE OF SHARES UNDER SPECIFIC MANDATE**

Reference is made to the announcements of Amax International Holdings Limited dated 14 October 2014 (the “Acquisition Announcement”) in relation to the Acquisition of 60% shareholding of the Target Company by the Company; 11 November 2014 (the “Completion Announcement”) in relation to the completion of the sale and purchase of 60% equity interests in the Target Company; 2 December 2014 (“2014 Top-up Placing Announcement”) in relation to the completion of placing of existing shares and top-up subscription of new shares under General Mandate and 31 March 2015 (“2015 Top-up Placing Announcement”) in relation to the completion of placing of existing shares and top-up subscription of new shares under General Mandate. Terms defined in the Acquisition Announcement; Completion Announcement; 2014 Top-up Placing Announcement and the 2015 Top-up Placing Announcement shall have the same meanings when used herein, unless the context requires otherwise.

### **ISSUE OF SHARES UNDER SPECIFIC MANDATE**

#### **Background of and reasons for the Issue of Shares under Specific Mandate**

The Group is principally engaged in investment holdings and investments in high-end gaming and entertainment related businesses.

At the AGM of the Company held on 29 August 2014, the Shareholders passed, among other things, an ordinary resolution to grant to the Directors the General Mandate to allot, issue and deal with a maximum of 46,926,557 Shares, representing 20% of the issued share capital of the Company as at the date of approving the resolution.

On 14 October 2014, the Company entered into the Sale and Purchase Agreement in relation to the Acquisition. Pursuant to the Sale and Purchase Agreement, the Company has to allot and issue the Consideration Shares to the Vendor by two instalments, the First Tranche Consideration Shares shall be issued upon completion of the Acquisition and the Second Tranche Consideration Shares shall be issued within 6 months after the commencement of operation of the Target Group. On 11 November 2014, the First Tranche Consideration Shares were issued upon Completion. The Second Tranche Consideration Shares has yet to be

issued as at the date of this announcement as the conditions for issuing the Second Tranche Consideration Shares have not been fulfilled. After the Completion, there were 9,926,557 Shares available to be allotted and issued under the General Mandate.

On 2 December 2014, the Company completed the 2014 Top-up Placing. After the completion of 2014 Top-up Placing, there were 26,557 Shares available to be allotted and issued under the General Mandate. On 31 March 2015, the Company completed the 2015 Top-up Placing. The aggregate number of Shares which were issued and may be issued or issuable pursuant to the Sale and Purchase Agreement and the 2014 Top-up Placing taken together with the 2015 Top-up Placing are in excess of the number of Shares authorized to be issued under the General Mandate. Apparently, the 2015 Top-up Placing exceeded the authority of the General Mandate.

Prior to the 2015 Top-up Placing, a member of the management of the Company had verbally enquired and discussed with the Company's financial advisor, and he was verbally advised that the Second Tranche Consideration Shares would not be counted towards the aggregate Shares in issue (if not already issued at the material time) in calculating the number of Shares that could be issued under any refreshment of general mandate in future. The said advice was misinterpreted as meaning that the Second Tranche Consideration Shares if remain unissued, could be covered by the refreshed mandate in future. As the commencement of the business operation in the Vanuatu project may not be on schedule as planned, a mistaken view was taken that the 2015 Top-up Placing should proceed under the General Mandate leaving the unissued Second Tranche Consideration Shares to be covered by the refreshed mandate in future.

In order to rectify the issue of Shares in relation to 2015 Top-up Placing, the Company had consulted both Bermuda and Hong Kong lawyers. Given that the total number of Shares issued under the First Tranche Consideration Shares, the 2014 Top-up Placing and the 2015 Top-up Placing were within the number of Shares authorised to be issued under the General Mandate and the Second Tranche Consideration Shares are yet to be issued, the lawyers have respectively confirmed that to seek for a Specific Mandate from Shareholders to confirm the issue of the Second Tranche Consideration Shares will give retrospective confirmation and authority to the issue of the Second Tranche Consideration Shares.

Having considered that (i) the issue of the Second Tranche Consideration Shares which are for satisfying the terms of the Sale and Purchase Agreement though authorized but have yet to be issued; and (ii) The Bermuda and Hong Kong legal opinions that the Specific Mandate, if granted, will have the retrospective effect of bringing the 2015 Top-up Placing within in the authority of the General Mandate; the Board is of the view that the granting of the Specific Mandate is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

## **Issue Price of the Second Tranche Consideration Shares**

The Second Tranche Consideration Shares will be allotted and issued at the Issue Price and, when allotted and issued, shall rank pari passu in all respects with the other Shares in issue or to be issued by the Company on or prior to the allotment and issue of the Second Tranche Consideration Shares.

The Issue Price represents:

- (i) a discount of approximately 2.26% to the closing price of HK\$1.33 per Share as quoted on the Stock Exchange on 14 October 2014, being the date of the Sale and Purchase Agreement;
- (ii) a discount of approximately 0.91% to the average of the closing prices of HK\$1.312 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Sale and Purchase Agreement;
- (iii) a discount of approximately 0.84% to the average closing price of HK\$1.311 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the date of the Sale and Purchase Agreement;
- (iv) a premium of approximately 23.81% over the closing price of HK\$1.05 per Share as quoted on the Stock Exchange as at the date of this announcement;
- (v) a premium of approximately 22.41% over the average of the closing price of HK\$1.062 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the date of this announcement; and
- (vi) a premium of approximately 17.43% over the average of the closing price of HK\$1.107 per Share as quoted on the Stock Exchange for the ten consecutive trading days up to and including the date of this announcement.

The Issue Price was determined by the Board after taking into consideration of the prevailing Share prices as at the date of signing the Sale and Purchase Agreement and the Directors consider that the Issue Price is fair and reasonable.

The Second Tranche Consideration Shares represent approximately 5.31% of the existing issued share capital of the Company as at the date of this announcement and approximately 5.04% of the issued share capital of the Company as enlarged by the allotment and issue of the Second Tranche Consideration Shares. The Directors will allot and issue the Second Tranche Consideration Shares to the Vendor under the Specific Mandate proposed to be sought from the Shareholders at the SGM.

## About the Vendor and the Target Group

The Vendor is a businessman who is the beneficial owner of 40% of the issued share capital of the Target Company. He holds 12,200,000 Shares, representing approximately 4.38% of the total issued share capital of the Company as at the date of this announcement.

The Target Group consists of the Target Company and its wholly-owned subsidiaries. The Target Company is an investment holding company incorporated in BVI with 60% of its issued share capital held by the Company and 40% of its issued share capital held by the Vendor.

The Target Group, through its wholly-owned subsidiaries, holds the Gaming License issued by the Ministry of Finance and Economic Development of Vanuatu for a term of fifteen (15) years from 24 February 2014.

## Current Status of the Target Group

As at the date of this announcement, the Operator of the Target Group business has delivered and installed equipment in Vanuatu. Chartreuse has already submitted certain required documents and information to the regulator in Vanuatu for its review in connection with the grant of approval on the commencement of trading of the Target Group. It is expected that the operation of the Target Group would commence in or about the fourth quarter of 2015 and the Second Tranche Consideration Shares would be issued in or about early 2016.

## Effect on shareholding structure of the company

For illustrative purpose only, set out below is a summary of the shareholdings in the Company (i) as at the date of this announcement; and (ii) immediately upon the issue of the Second Tranche Consideration Shares under the Specific Mandate.

|                           | <b>As at the date<br/>of this announcement</b> |               | <b>Immediately upon issuance of<br/>the Second Tranche<br/>Consideration Shares under<br/>the Specific Mandate</b> |               |
|---------------------------|--|---------------|--|---------------|
|                           | <i>Number of<br/>Shares</i>                    | <i>%</i>      | <i>Number of<br/>Shares</i>  | <i>%</i>      |
| Mr. Ng ( <i>Note 1</i> )  | 38,877,366                                     | 13.95         | 38,877,366   | 13.24         |
| Vendor                    | 12,200,000                                     | 4.38          | 27,000,000   | 9.20          |
| Other public Shareholders | <u>227,655,420</u>                             | <u>81.67</u>  | <u>227,655,420</u>   | <u>77.56</u>  |
|                           | <u>278,732,786</u>                             | <u>100.00</u> | <u>293,532,786</u>   | <u>100.00</u> |

*Note 1:* Mr. Ng is the chairman, chief executive officer and executive director of the Company.

## Equity fund-raising activities in the past twelve months

Save as disclosed below, the Company has not conducted any equity fund-raising activities in the past twelve months before the date of this announcement:

| Date of announcements | Description  | Net proceeds (approximately) | Intended use of proceeds                         | Actual use of proceeds as at the Latest Practicable Date  |
|-----------------------|--|------------------------------|--|---|
| 22 August 2014        | Placing of existing Shares and top-up subscription of new Shares | HK\$7.56 million             | General working capital and potential investment | Approximately HK\$7.56 million has been utilised for general working capital and investment of the Group as to approximately HK\$0.93 million for staff salaries and benefits and miscellaneous expenses, approximately HK\$1.65 million for legal and professional and consultancy fees, approximately HK\$1.16 million for rent and rates, approximately HK\$1.49 million for Directors' emoluments and approximately HK\$2.33 million for operation setup after the Acquisition and other non-current assets |
| 25 November 2014      | Placing of existing Shares and top-up subscription of new Shares | HK\$9.06 million             | General working capital and investment           | Approximately HK\$9.06 million has been utilised for general working capital and investment of the Group as to HK\$2.06 million for staff salaries and benefits and miscellaneous expenses, approximately HK\$1.42 million for legal and professional and consultancy fees, approximately HK\$1.20 million for rent and rates, approximately HK\$0.76 million for Directors' emoluments and approximately HK\$3.62 million for operation setup after the Acquisition and other non-current assets               |
| 23 March 2015         | Placing of existing shares and top-up subscription of new Shares | HK\$7.58 million             | General working capital and investment           | Approximately HK\$7.58 million has been utilised for general working capital and investment of the Group as to HK\$1.83 million for staff salaries and benefits and miscellaneous expenses, approximately HK\$2.46 million for legal and professional and consultancy fees, approximately HK\$1.66 million for rent and rates, approximately HK\$1.59 million for Directors' emoluments and approximately HK\$0.04 million for operation setup after the Acquisition  |

## GENERAL

A circular containing, among other things, details of the issue of shares under specific mandate together with the notice of the SGM will be despatched to the Shareholders in due course.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

|                                      |  |
|--------------------------------------|--|
| “2014 Top-up Placing”                | the allotment and issue of 9,900,000 Shares to Mr. Ng Man Sun in connection with a top-up placing to six independent placees as disclosed in the announcements of the Company dated 25 November 2014 and 2 December 2014 |
| “2015 Top-up Placing”                | the allotment and issue of 11,000,000 Shares to Mr. Ng Man Sun in connection with a top-up placing to six independent placees as disclosed in the announcements of the Company dated 23 March 2015 and 31 March 2015     |
| “Acquisition”                        | the acquisition of 60% equity interests in Forenzia Enterprises Limited as disclosed in the announcements of the Company dated 14 October 2014 and 11 November 2014 respectively   |
| “AGM”                                | the annual general meeting of the Company held on 29 August 2014   |
| “Board”                              | the board of Directors   |
| “BVI”                                | British Virgin Islands   |
| “Chartreuse”                         | Chartreuse Holdings Limited, a wholly-owned subsidiary of the Target Company and is incorporated in Vanuatu. It holds the Gaming License   |
| “Company”                            | Amax International Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange (Stock Code: 959)                               |
| “Completion”                         | The sale and purchase of the 60% equity interests in the Target Company was completed on 11 November 2014 as all the conditions precedent of the Sale and Purchase Agreement have been fulfilled                         |
| “Consideration Shares”               | up to 37,000,000 ordinary shares of HK\$0.20 each in the share capital of the Company to be allotted and issued to the Vendor for the settlement of the consideration pursuant to the Sale and Purchase Agreement        |
| “Directors”                          | the directors of the Company   |
| “First Tranche Consideration Shares” | 22,200,000 Shares to be allotted and issued under the Sale and Purchase Agreement to the Vendor subject to the fulfillment of the conditions precedent stipulated in the Sale and Purchase Agreement                     |

|                                       |   |
|---------------------------------------|---|
| “Gaming License”                      | The Interactive Gaming License No. IGL27/2014 issued by the Ministry of Finance and Economic Development of Vanuatu for a term of fifteen (15) years from 24 February 2014  |
| “General Mandate”                     | the general mandate duly approved and granted by the Shareholders at the AGM to the Directors to allot, issue and deal with a maximum of 46,926,557 new Shares, representing 20% of the issued share capital of the Company as at the date of passing the relevant resolution at the AGM  |
| “Group”                               | the Company and all of its subsidiaries   |
| “HK\$”                                | Hong Kong dollars, the lawful currency of Hong Kong   |
| “Hong Kong”                           | the Hong Kong Special Administrative Region of the PRC  |
| “Issue Price”                         | HK\$1.30 per Consideration Share  |
| “Listing Rules”                       | the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited  |
| “Mr. Ng”                              | Mr. Ng Man Sun, the chairman, chief executive officer and executive director of the Company   |
| “PRC”                                 | the People’s Republic of China (for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region and Taiwan)  |
| “Sale and Purchase Agreement”         | the sale and purchase agreement dated 14 October 2014 entered into between the Company and the Vendor in respect of the Acquisition   |
| “Second Tranche Consideration Shares” | 14,800,000 Shares to be allotted and issued under the Sale and Purchase Agreement to the Vendor within six months after the commencement of operation   |
| “SGM”                                 | the special general meeting of the Company to be held on 28 August 2015 at 3 p.m. (or immediately after the conclusion of the annual general meeting of the Company to be held at 2:30 p.m. on the same day, if later) for the purpose of considering and, if thought fit, approving the issue of Shares under Specific Mandate |
| “Share(s)”                            | the ordinary share(s) of HK\$0.2 each in the share capital of the Company   |
| “Shareholder(s)”                      | holder(s) of the Share(s)   |
| “Specific Mandate”                    | the ordinary resolution to approve the allotment and issue of the Second Tranche Consideration Shares   |
| “Stock Exchange”                      | The Stock Exchange of Hong Kong Limited   |
| “Target Company”                      | Forenzia Enterprises Limited, a company incorporated in BVI   |
| “Target Group”                        | the Target Company and its subsidiaries (if any)  |

“Vanuatu”                    The Republic of Vanuatu  
“Vendor”                    Mr. Yau Kam Wai  
“%”                            per cent.

By order of the Board  
**Amax International Holdings Limited**  
**Ng Man Sun**  
*Chairman and Chief Executive Officer*

Hong Kong, 31 July 2015

*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*