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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)

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

Chanceton Capital has been a financial adviser to the Company in respect of the provision of continuing financial advisory service to the Company since 2014. As at the date of this announcement, the Company was indebted to Chanceton Capital an outstanding amount of HK\$3.25 million.

Mr. Wong is a shareholder of the Company who has been supporting the daily operation of the Company by providing unsecured interest-free advance to the Company. As at the date of this announcement, the Company was indebted to Mr. Wong an outstanding amount of HK\$2.50 million.

Skyline Ace has been a business consultant of the Company which has been providing business consultancy service since 12 September 2012. As at the date of this announcement, the Company was indebted to Skyline Ace an outstanding amount of HK\$3.25 million.

On 28 August 2018 (after trading hours of the Stock Exchange), the Company with each of Chanceton Capital, Mr. Wong and Skyline Ace separately entered into Subscription Agreement 1, Subscription Agreement 2 and Subscription Agreement 3 respectively pursuant to which the Subscribers conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue an aggregate of 37,188,000 Subscription Shares at the Subscription Price of approximately HK\$0.242 per Subscription Share, in consideration of each of Chanceton Capital, Mr. Wong and Skyline Ace agreeing to waive their respective indebted amount in an aggregate sum of HK\$9 million due from the Company.

Assuming that there will be no change in the number of issued Shares between the date of this announcement and Completion, the 37,188,000 Subscription Shares, in aggregate represent (i) approximately 4.35% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 4.17% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

The Subscription Shares will be allotted and issued under the General Mandate, therefore, the allotment and issue of the Subscription Shares is not subject to the approval of the Shareholders.

INTRODUCTION

Chanceton Capital has been a financial adviser to the Company in respect of the provision of continuing financial advisory service to the Company since 2014. As at the date of this announcement, the Company was indebted to Chanceton Capital an outstanding amount of HK\$3.25 million.

Mr. Wong is a shareholder of the Company who has been supporting the operations of the Company by providing unsecured interest-free advance to the Company. As at the date of this announcement, the Company was indebted to Mr. Wong an outstanding amount of HK\$2.50 million.

Skyline Ace has been a business consultant of the Company which has been providing business consultancy service since 12 September 2012. As at the date of this announcement, the Company was indebted to Skyline Ace an outstanding amount of HK\$3.25 million.

On 28 August 2018 (after trading hours of the Stock Exchange), the Company with each of Chanceton Capital, Mr. Wong and Skyline Ace separately entered into Subscription Agreement 1, Subscription Agreement 2 and Subscription Agreement 3 respectively pursuant to which the Subscribers conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue an aggregate of 37,188,000 Subscription Shares at the Subscription Price of approximately HK\$0.242 per Subscription Share, in consideration of each of Chanceton Capital, Mr. Wong and Skyline Ace agreeing to waive their respective indebted amount in an aggregate sum of HK\$9 million due from the Company.

Save for the identity of the Subscribers and the number of Shares to be subscribed by each of the Subscribers, principal terms of each of the Subscription Agreements are substantially the same. Principal terms of the Subscription Agreements are set out below.

THE SUBSCRIPTION AGREEMENTS

Subscription Agreement 1

Date : 28 August 2018 (after trading hours of the Stock Exchange)

Parties : (i) the Company as issuer;
(ii) Chanceton Capital as subscriber

As at the date of this announcement, Chanceton Capital was interested in 4,800,000 Shares, representing approximately 0.56% of the issued Shares. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Chanceton Capital and its ultimate beneficial owners are an Independent Third Parties.

In consideration of Chanceton Capital agreeing to waive the indebted amount of HK\$3.25 million, the Company conditionally agreed to allot and issue, and Chanceton Capital conditionally agreed to subscribe for 13,429,000 Subscription Shares at the Subscription Price of approximately HK\$0.242 per Subscription Share. The Subscription Price payable by Chanceton Capital will be satisfied by Chanceton Capital waiving the entire amount of HK\$3.25 million due from the Company to Chanceton Capital.

Subscription Agreement 2

Date : 28 August 2018 (after trading hours of the Stock Exchange)

Parties : (i) the Company as issuer;
(ii) Mr. Wong as subscriber

As at the date of this announcement, Mr. Wong was interested in 61,000,000 Shares, representing approximately 7.14% of the issued Shares. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Mr. Wong is an Independent Third Party.

In consideration of Mr. Wong agreeing to waive the indebted amount of HK\$2.5 million, the Company conditionally agreed to allot and issue, and Mr. Wong conditionally agreed to subscribe for 10,330,000 Subscription Shares at the Subscription Price of approximately HK\$0.242 per Subscription Share. The Subscription Price payable by Mr. Wong will be satisfied by Mr. Wong waiving the entire amount of HK\$2.5 million due from the Company to Mr. Wong.

Subscription Agreement 3

Date : 28 August 2018 (after trading hours of the Stock Exchange)

Parties : (i) the Company as issuer;
(ii) Skyline Ace as subscriber

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Skyline Ace and its ultimate beneficial owner are Independent Third Parties.

In consideration of Skyline Ace agreeing to waive the indebted amount of HK\$3.25 million, the Company conditionally agreed to allot and issue, and Skyline Ace conditionally agreed to subscribe for 13,429,000 Subscription Shares at the Subscription Price of approximately

HK\$0.242 per Subscription Share. The Subscription Price payable by Skyline Ace will be satisfied by Skyline Ace waiving the entire amount of HK\$3.25 million due from the Company to Skyline Ace.

Subscription Shares

Assuming that there will be no change in the number of issued Shares between the date of this announcement and Completion, the 37,188,000 Subscription Shares, in aggregate represent:

- (i) approximately 4.35% of the existing issued share capital of the Company of 854,530,039 Shares as at the date of this announcement; and
- (ii) approximately 4.17% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

The aggregate nominal value of the Subscription Shares is HK\$7,437,600.

Subscription Price

The Subscription Price of approximately HK\$0.242 per Subscription Share is determined after arm's length negotiation between the Company and each of the Subscribers with reference to the current market price of the Shares. The

Subscription Price of approximately HK\$0.242 represents:

- (i) a discount of approximately 19.33% to the closing price of HK\$0.30 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (ii) a discount of approximately 13.57% to the average of the closing prices of approximately HK\$0.280 per Share for the last five consecutive trading days immediately prior to the Last Trading Day.

Ranking of the Subscription Shares

The Subscription Shares, when issued and allotted, will rank *pari passu* among themselves and with Shares in issue at the time of allotment and issue of the Subscription Shares.

Conditions Precedent

Completion is conditional upon the fulfillment of, among others, the following conditions:

- (i) the Company having passed any and all resolutions approving the of the transactions contemplated by the Subscription Agreements, including but not limited to the allotment and issue of Subscription Shares;

- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares; and
- (iii) if so required, each party to the Subscription Agreements having obtained all consents, licences, authorisations, orders, grants, confirmations, permissions, registrations, filings and other approvals necessary or desirable in connection with the implementation of the Subscription Agreements from appropriate governments, governmental, supranational or trade agencies, courts, other regulatory bodies, banks, financial institutions or other third parties on terms satisfactory to the parties to the Subscription Agreements and such consents, licences, authorisations, orders, grants, confirmations, permissions, registrations and other approvals remaining in full force and effect.

If the above conditions are not fulfilled or are not either waived, as the case maybe, on or before 30 September 2018 or such later date as may be agreed among the parties to the Subscription Agreements, all rights, obligations and liabilities of the parties in respect of or under the Subscription Agreements shall cease and terminate, and no party shall have any claim of any nature whatsoever against the other parties under the Subscription Agreements (except in respect of any antecedent breach of any obligation under the Subscription Agreements).

Completion

Completion of the Subscription Agreements shall take place on a date no later than 10 Business Days after the fulfillment or waiver of the conditions precedent, or such other date as may be agreed between the respective parties to the Subscription Agreements.

REASONS FOR THE SUBSCRIPTIONS

According to the Subscription Agreements, the aggregate indebted amount of approximately HK\$9 million will be waived by the Subscribers after Completion. The Directors believe that it is in the best interest of the Company to extinguish the indebted amount and convert them into capital by way of the Subscriptions, in order to alleviate the repayment pressure of the Group and to reduce cash outflow from the Company. The Directors also consider that the Subscriptions will enlarge the capital base of the Company.

Based on the above, the Directors consider that the terms of the Subscription Agreements, which were arrived at after arm's length negotiations between the parties thereto, are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE-MONTH PERIOD

Fund raising activities in the past twelve months

The following table summaries the capital raising activity of the Company for the twelve months immediately before the date of this announcement:

Date of initial announcement	Description	Net proceeds	Intended use of proceeds
6 September 2017	Placing of existing Shares and top-up subscription of new Shares	HK\$5.31 million	General working capital and investment

Actual use of proceeds as at the date of this announcement:

Items	HK\$ (million)
Staff salaries and Directors fees	0.72
Rental and operating expenses	1.30
Legal and professional fees	0.77
Investment in Vanuatu gaming business	<u>2.52</u>
Total	<u>5.31</u>

Date of initial announcement	Description	Net proceeds	Intended use of proceeds
28 September 2017	Placing of existing Shares and top-up subscription of new Shares	HK\$10.30 million	General working capital and investment

Actual use of proceeds as at the date of this announcement:

Items	HK\$ (million)
Staff salaries and Directors fees	2.14
Rental and operating expenses	3.01
Legal and professional fees	2.25
Investment in Vanuatu gaming business	1.40
Settlement of payables	<u>1.50</u>
Total	<u><u>10.30</u></u>

Date of initial announcement	Description	Net proceeds	Intended use of proceeds
28 July 2018	Placing of existing Shares and top- up subscription of new Shares	HK\$9.09 million	General working capital and repayment of other borrowings

Actual use of net proceeds as at the date of this announcement:

Items	HK\$ (million)
Staff salaries and Directors fees	0.47
Rental and operating expenses	0.70
Legal and professional fees	0.42
Repayment of other borrowings	<u>7.50</u>
Total	<u><u>9.09</u></u>

GENERAL MANDATE TO ISSUE THE SUBSCRIPTION SHARES

The allotment and issue of the Subscription Shares is not subject to further Shareholders' approval. The Subscription Shares will be allotted and issued under the General Mandate granted to the Directors at the AGM, subject to the limit of 123,906,007 Shares (representing 20% of the number of Shares in issue on the date which the General Mandate was granted). Up to the date of this announcement, the General Mandate has been utilized as to 85,000,000 Share or 68.6%. The 37,188,000 Subscription Shares to be allotted and issued will utilise approximately 30.01% of the General Mandate.

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 Subscriptions are set out as below:

Shareholder	Immediately before the Subscription		Immediately after the Subscription	
	Number of Shares	%	Number of Shares	%
Mr. Ng Man Sun (<i>Note 1</i>)	57,468,626	6.73	57,468,626	6.44
Mr. Lam Kwan Hang Jonathan	100,082,000	11.71	100,082,000	11.22
Mr. Huang Wei Qiang	86,900,000	10.17	86,900,000	9.75
Mr. Wong Kam Wah	61,000,000	7.14	71,330,000	8.00
Chanceton Capital	4,800,000	0.56	18,229,000	2.04
Skyline Ace	—	—	13,429,000	1.51
Other public Shareholders	544,279,413	63.69	544,279,413	61.04
	<u>854,530,039</u>	<u>100.00</u>	<u>891,718,039</u>	<u>100.00</u>

Note:

1. Mr. Ng Man Sun is the chairman, chief executive officer and executive Director 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 Subscription Shares.

DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on 30 August 2017;
“associates”	has the meaning ascribed to this term under the Listing Rules;
“Board”	the board of Directors;
“Business Day”	any day on which the Stock Exchange is open for securities dealings;
“Chanceton Capital”	Chanceton Capital Partners Limited, a corporation licensed to carry out type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance and the financial adviser to the Company in respect of the corporate resumption advisory service and continuing financial advisory service;
“Company”	Amax International 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;
“Completion”	the completion of the Subscription Agreements in accordance with the terms and conditions thereunder;
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules;
“Directors”	director(s) 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”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Third Party(ies)”	third parties independent to the Company and its connected person(s) (as defined under the Listing Rules);
“Last Trading Day”	28 August 2018, being the date of the Subscription Agreements;

“Listing Committee”	the Listing committee of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mr. Wong”	Mr. Wong Kam Wah;
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Share(s)”	ordinary share(s) of HK\$0.20 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Skyline Ace”	Skyline Ace Limited;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscribers”	Chanceton Capital, Mr. Wong and Skyline Ace;
“Subscriptions”	the subscription of the Subscription Shares by the Subscribers pursuant to the terms of the Subscription Agreements;
“Subscription Agreements”	Subscription Agreement 1, Subscription Agreement 2 and Subscription Agreement 3;
“Subscription Agreement 1”	the conditional subscription agreement dated 28 August 2018 entered into between the Company and Chanceton Capital in relation to the Subscriptions;
“Subscription Agreement 2”	the conditional subscription agreement dated 28 August 2018 entered into between the Company and Mr. Wong in relation to the Subscriptions;

“Subscription Agreement 3”	the conditional subscription agreement dated 28 August 2018 entered into between the Company and Skyline Ace in relation to the Subscriptions;
“Subscription Price”	approximately HK\$0.242 per Subscription Share;
“Subscription Shares”	an aggregate of 37,188,000 new Shares to be allotted and issued by the Company to the Subscribers pursuant to the terms and conditions of the Subscription Agreements;
“HK\$”	Hong Kong dollars, the lawful currency for the time being of Hong Kong; and
“%”	per cent

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

Hong Kong, 28 August 2018

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.