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AUX

AUX INTERNATIONAL HOLDINGS LIMITED

奧克斯國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2080)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



CHUNG SUN

Chung Sun Securities Limited

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 10 July 2017, after trading hours, the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has agreed to place, on a best effort basis, up to 60,000,000 Placing Shares to not less than six Places at the Placing Price of HK\$0.91 per Placing Share.

The Placing Price represents (i) a discount of approximately 18.02% to the closing price of HK\$1.11 per Share as quoted on the Stock Exchange on 10 July 2017, being the date of the Placing Agreement and the date on which the terms of the Placing were fixed; and (ii) a discount of approximately 18.60% to the average closing price of HK\$1.118 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day.

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

The Placing Shares will be allotted and issued pursuant to the general mandate granted to the Directors at the annual general meeting of the Company held on 19 August 2016.

Assuming that all of the 60,000,000 Placing Shares are placed under the Placing, the net proceeds to be received by the Company, after deducting placing commission and other fees and expenses, will amount to approximately HK\$53.9 million. The Company intends to use the net proceeds to supplement its working capital and for financing potential investments or acquisitions should suitable opportunities arise. As at the date of this announcement, no specific investment or acquisition target has been identified by the Group.

Completion of the Placing is subject to fulfillment of the condition precedent and the termination events as set out in the Placing Agreement. As the Placing may or not may proceed, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

PLACING AGREEMENT

On 10 July 2017, after trading hours, the Company and the Placing Agent entered into the Placing Agreement for the Placing of new Shares to be issued by the Company to not less than six Placées, details of which are set out below.

Date

10 July 2017 (after trading hours)

Parties

- (1) the Company, as issuer
- (2) Chung Sun Securities Limited, as Placing Agent

Number of Placing Shares

Pursuant to the Placing Agreement, the Placing Agent has agreed to place, on a best effort basis, up to 60,000,000 new Shares, which, having an aggregate nominal value of HK\$600,000, represent (i) approximately 19.05% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.00% of the issued share capital of the Company as enlarged by the allotment and issue of the 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 save for the allotment and issue of the Placing Shares).

Placing price

The Placing Price of HK\$0.91 per Placing Share represents:

- (i) a discount of approximately 18.02% to the closing price of HK\$1.11 per Share as quoted on the Stock Exchange on 10 July 2017, being the date of the Placing Agreement and the date on which the terms of the Placing were fixed; and
- (ii) a discount of approximately 18.60% to the average closing price of HK\$1.118 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day.

This Placing Price was agreed after arm's length negotiations between the Company and the Placing Agent with reference to recent market prices of the Shares.

The net Placing Price, after deducting placing commission and other fees and expenses, is estimated to be approximately HK\$0.90 per Placing Share.

Placing Agent

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are independent of and not connected with the Company and its connected persons (as defined in the Listing Rules).

Placees

It is expected that the Placing Shares will be placed to not less than six Placees, who are professional, institutional or other investors. The Placees (and, where relevant, their ultimate beneficial owners) shall be independent of and not connected or acting in concert (as defined in the Takeovers Code) with any connected person of the Company or any of its subsidiaries. It is expected that none of the Placees will become a substantial shareholder (as defined in the Listing Rules) of the Company immediately upon completion of the Placing.

Rights and ranking of the Placing Shares

The Placing Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with all other Shares in issue as at the Completion Date.

Disposal and lock-up restriction

The Placing Shares are not subject to any lock-up or other disposal restrictions under the terms of the Placing Agreement.

Condition precedent to completion of the Placing

Completion of the Placing is conditional upon the Listing Committee of the Stock Exchange granting or agreeing to grant a listing of, and permission to deal in, all of the Placing Shares. As at the date of this announcement, the above condition precedent has not yet been satisfied.

In the event the above condition has not been fulfilled by 8 August 2017 (or such later date as may be agreed by the Placing Agent), all rights, obligations and liabilities of the parties hereunder in relation to the Placing shall cease and determine and none of the parties shall have any claim against any other in respect of the Placing, save for any antecedent breaches of this Agreement.

Completion of the Placing

Completion of the Placing will take place at 12:00 noon on the 5th Business Day next following fulfillment of the condition precedent to completion of the Placing referred to above.

Further announcement will be made by the Company upon completion of the Placing.

Termination of the Placing Agreement

If at any time on or prior to the Completion Date:

- (a) in the reasonable opinion of the Placing Agent, there shall have been, since the date of the Placing Agreement, such a change in national or international financial, political or economic conditions or taxation or exchange controls as would be likely to prejudice materially the consummation of the Placing; or
- (b) any material breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Completion Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provisions of the Placing Agreement; or
- (c) there is any suspension of dealings in the Shares for more than seven consecutive trading days (other than as a result of the Placing); or
- (d) there is any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise at any time prior to the Completion Date,

the Placing Agent may after consultation with the Company (to the extent that the same is reasonably practicable) terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company, provided that such notice is received prior to the Completion Date.

GENERAL

Mandate to allot and issue new Shares

The Company is authorised to allot and issue up to 62,996,800 new Shares under the general mandate (the “**General Mandate**”) granted by the Shareholders at the annual general meeting of the Company held on 19 August 2016. Since the date of grant and up to the date of this announcement, the Directors have not exercised the General Mandate to allot and issue any new Shares; accordingly, the number of new Shares that may be allotted and issued under the General Mandate is 62,996,800. As the Placing Shares will be issued under the unused portion of the General Mandate, the Placing is not subject to Shareholders’ approval.

Application for listing

Application will be made to the Listing Committee for the listing of, and permission to deal in, the Placing Shares.

INFORMATION ON THE GROUP

The Company is an investment holding company. The activities of its principal operating subsidiaries include operation of clubbing business in Hong Kong and provision of property management services in the PRC.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Directors consider that it is in the interests of the Company to raise capital from the equity market in order to enhance the capital base of the Company. The Directors (including the independent non-executive Directors) consider the terms of the Placing Agreement (including the Placing Price) to be on normal commercial terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Assuming that the Placing Shares are fully placed under the Placing:

- (i) the gross proceeds from the Placing are estimated to be approximately HK\$54.6 million; and
- (ii) the net proceeds, after deducting related placing commission, professional fees and all related expenses, are estimated to be approximately HK\$53.9 million.

The Company intends to use the net proceeds to supplement its working capital and for financing potential investments or acquisitions should suitable opportunities arise. As at the date of this announcement, no specific investment or acquisition target has been identified by the Group, and no letter of intent, agreement or similar arrangement has been entered into by the Group.

FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

The Company has not conducted any equity fund raising activities in the past 12 months from the date of this announcement.

CHANGES TO SHAREHOLDING AS A RESULT OF THE PLACING

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after completion of the Placing, assuming that the Placing Shares are fully placed under the Placing and there will be no other change in the share capital and shareholding structure of the Company between the date of this announcement and the date of completion of the Placing (other than the issue of the Placing Shares). Shareholders should take note that the analysis under scenario (ii) is shown for illustration purpose only.

	As at the date of this announcement (Note 2)		Immediately after completion of the Placing (Note 3)	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Connected person				
Hui Limited (Note 1)	219,950,000	69.83	219,950,000	58.66
Public				
Placees	–	–	60,000,000	16.00
Other public shareholders	95,034,000	30.17	95,034,000	25.34
	<u>95,034,000</u>	<u>30.17</u>	<u>155,034,000</u>	<u>41.34</u>
	<u>314,984,000</u>	<u>100.00</u>	<u>374,984,000</u>	<u>100.00</u>

Notes:

- (1) Huiiri Limited is a controlling Shareholder holding 219,950,000 Shares. Huiiri Limited is controlled as to 90% by Ze Hui Limited, which is wholly-owned by Mr. Zheng Jian Jiang, the brother of Mr. Zheng Jiang, the chairman of the Company and an executive Director.
- (2) The information shown is based on the disclosure of interest of the relevant shareholders (as the case may be) under Part XV of the SFO up to the date of this announcement.
- (3) The information shown is based on the assumption that there will be no change in the share capital and shareholding structure of the Company between the date of this announcement and the date of completion of the Placing other than the allotment and issue of the Placing Shares.

Completion of the Placing is subject to fulfillment of the condition precedent and the termination events as set out in the Placing Agreement. As the Placing may or not may proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Board”	the board of Directors
“Business Day”	means any day (excluding a Saturday, Sunday and any other public holidays and any day on which a tropical cyclone warning no.8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which banks generally are open for business in Hong Kong.
“Company”	AUX International Holdings Limited (奧克斯國際控股有限公司), a company incorporated under the laws of the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange
“Completion Date”	the 5th Business Day next following the fulfillment of the condition specified in the Placing Agreement

“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	collectively, the Company and its subsidiaries for the time being
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Day”	7 July 2017, being the last trading day for the Shares before the date of the Placing Agreement
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any person or entity procured by the Placing Agent to subscribe for any of the Placing Shares
“Placing Agent”	Chung Sun Securities Limited, a corporation licensed to carry out type 1 (dealing in securities) and type 2 (dealing in futures contracts) regulated activities under the SFO
“Placing Agreement”	the placing agreement dated 10 July 2017 entered into between the Company and the Placing Agent
“Placing Price”	HK\$0.91 per Placing Share
“Placing Shares”	up to a total of 60,000,000 new Shares to be placed under the Placing

“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers
“%”	per cent.

By order of the Board
AUX International Holdings Limited
Zheng Jiang
Chairman

Hong Kong, 10 July 2017

As at the date of this announcement, the executive Directors are Mr. Zheng Jiang, Mr. Chan Hon Ki, Ms. Chen Huajuan and Ms. Shen Guoying, and the independent non-executive Directors are Mr. Poon Chiu Kwok, Mr. Bau Siu Fung and Ms. Lou Aidong.