

Hong Kong Exchange 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) PROFIT WARNING; (2) UPDATE ON REPAYMENT OF LOAN GRANTED TO AMA AND PROFIT OWED TO THE GROUP UNDER PROFIT TRANSFER AGREEMENTS; (3) APPOINTMENT ON CORPORATE ADVISORY EXPERT TO ADVISE ON RECOVERABILITY OF THE LOAN AND PROFIT OWED BY AMA; (4) ADDITIONAL CORPORATE UPDATES & APPOINTMENT OF CEO

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a significant loss for the year ended 31 March 2010 as compared to a profit recorded in the corresponding period in 2009.

The Board also announces that the Company has agreed to extend the AMA undertaking to upstream an outstanding profit of HK\$25 million by 9 monthly installments from mid July 2010 to mid April 2011 and a letter of personal guarantee signed by Ms. Chen Mei Huan, the shareholder and director of AMA, has also been extended for guaranteeing the performance of AMA under the AMA undertaking.

On 8 July 2010, the Company has engaged Horwath CAS to assist the Company in assessing the recoverability of the loan and profit owed by AMA. A report will be submitted to the Board for consideration.

New corporate initiatives and short biography of the Group's new CEO.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Amax Holdings Limited (the “**Company**”, together with its subsidiaries as the “**Group**”) pursuant to Rule 13.09 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Reference is also made to the announcements (the “**Announcements**”) of the Company dated 31 March 2010 and 7 April 2010 respectively. Capitalised terms used herein shall have the same meanings as defined in the Announcements unless the context requires the otherwise.

PROFIT WARNING

The Board of Directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company and the potential investors that the Group is expected to record a significant loss for the year ended 31 March 2010. The loss was mainly attributed to (i) the impairment loss on the fair value of Available-for-Sales Financial Assets due to the implementation of 1.25% commission cap on junket commissions by the Macau Government which became effective on 1 December 2009 and a material change to the business cooperation mode of AMA and the Gaming Operator in Macau since December 2009. As shown in the interim report of the Company for the six months ended at 30 September 2009 and the annual report of the Company for the year ended 31 March 2009, the fair value of Available-for-Sales Financial Assets amounted to approximately HK\$605,022,000 and appropriately HK\$2,095,268,000 respectively. It is expected that the fair value of the Available-for-sales Financial Assets for the year ended 31 March 2010 will be significantly lower than that shown in the interim report of the Company for the six months ended at 30 September 2009 because of a substantial decrease in future cash inflow of AMA and the uncertainty regarding its future earnings; (ii) the impairment loss on receivables from AMA as a result of the financial difficulties of AMA and its failure to recover the credit granted to the collaborators.

The Group is still in the process of finalizing the Group’s results for the year ended 31 March 2010. The information contained in this announcement is only based on preliminary review of the consolidated management accounts of the Group, which have not been audited by the Company’s auditors. The audited results of the Group for the year ended 31 March 2010 and the related 2009/2010 annual report will be published before the end of July 2010.

UPDATE ON THE REPAYMENT OF THE LOAN GRANTED TO AMA AND PROFIT OWED TO THE GROUP UNDER THE PROFIT TRANSFER AGREEMENTS

On 27 March 2010, AMA has provided the Company an undertaking (the “**AMA undertaking**”) to upstream a profit of HK\$30 million by 3 installments starting from late April 2010 and Ms. Chen Mei Huan, the shareholder and the director of AMA, has provided a letter of personal guarantee to guarantee the performance of AMA undertaking. Given the financial difficulties of AMA and its inability to recover the credit from the collaborators, AMA has upstreamed HK\$5 million up to 19 July 2010.

After further arm’s length negotiations with AMA, considering the financial difficulties faced by AMA and the impracticality of forcing immediate repayment, on 20 July 2010 the Company has pragmatically agreed to extend the undertaking and allow AMA to upstream the remaining HK\$25

million profit by 9 monthly installments commencing mid July 2010. The last installment shall be made by mid April 2011. A letter of personal guarantee of Ms. Chen Mei Huan has also been extended for guaranteeing the performance of AMA under the AMA undertaking.

APPOINTMENT ON HORWATH CORPORATE ADVISORY SERVICES LIMITED TO ADVISE ON THE RECOVERABILITY OF THE LOAN AND PROFIT OWED BY AMA

The Board announces that the Company has, on 8 July 2010, engaged Horwath Corporate Advisory Company Limited, a company specialized in restructuring, insolvency and corporate advisory services (the “**advisory company**” or “**Horwath CAS**”) to assist the Company in assessing the recoverability of the loan to AMA and profit owed by AMA to the Group. The advisory company will prepare a report for submission to the Board for consideration.

Horwath CAS is an advisory firm specializing in restructuring, and corporate advisory services. The company’s executives bring a collective broad experience of senior roles in various industries such as private equity, corporate finance, investment banking and insolvency. The following is a profile of Horwath executives providing services to our Company:

Jim Wardell — Jim has over 30 years of experience in restructuring & insolvency, financial investigations, forensic accounting and mergers & acquisitions in Hong Kong and throughout Asia. Jim was a partner at Deloitte Touche Tohmatsu where he was responsible for setting up its Insolvency department in Hong Kong. Jim is a long standing member of various accounting bodies throughout the world. His experience in advisory services spans from top governmental bodies to highly visible private sector cases.

Jackson Ip — Jackson has over 20 years of experience in corporate insolvency, investigations and litigation support work. His experience include assets recoveries and disposals, fraud investigations due diligence and financial reviews in Hong Kong and the PRC, litigation supporting, pre-acquisition reviews, valuations and cash flow forecast.

ADDITIONAL CORPORATE UPDATES & APPOINTMENT OF CEO

For the strengthening of legal procedures and corporate governance of the Company, the Company has taken the following actions: (i) hired external legal support to carry out a historical review of the Group’s legal framework and past activities; (ii) appointed Horwath CAS for a overall corporate governance review.

These new initiative were kick-started by Mr. Wong Lee-Ping, Corey, who recently rejoined the Company as CEO after a short hiatus. The following is the short biography of Corey:

Wong Lee-Ping, Corey — is the CEO of the Company. Mr. Wong is a certified public accountant of the HKICPA, a fellow member of the Association of Chartered Certified Accountant. He is also a PhD student of the Business School of Jinan University of PRC. Mr. Wong has held various management positions in Hong Kong listed companies, bringing more than 20 years of experience to the Group.

Mr. Wong benefits from his previous experience as the deputy CEO of the Company, when he successfully implemented remuneration cut for senior management of the Company. Current, initiatives mentioned above are only the beginning of a series of management culture changes with aims to reform corporate governance standard, to increase transparency of management decisions, and to enhance quantity and quality of reporting to the board of directors.

The Company will keep the shareholders and potential investors informed of any material development and findings by the advisory company by way of further announcement(s) as and when appropriate.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Amax Holdings Limited
Chan Him, Alfred
Company Secretary

Hong Kong, 21 July 2010

As at the date of this announcement, the Board of Directors comprises Ms. Li Wing Sze and Mr. Victor Ng being the executive Directors, Mr. Cheung Nam Chung and Lau Dicky being the non-executive Directors and Mr. Cheng Kai Tai, Allen and Mr. Fang Ang Zhen being the independent non-executive Directors.