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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)

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014**

The board (the “Board”) of directors (the “Directors”) of Amax International Holdings Limited (the “Company”) announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 September 2014 (the “Period Under Review”), together with the unaudited comparative figures for the corresponding period in 2013.

* For identification purpose only

CONDENSED CONSOLIDATED INCOME STATEMENT*For the six months ended 30 September 2014*

		Six months ended 30 September	
		2014	2013
	<i>Note</i>	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Turnover	5	2,443	2,527
Cost of sales		(131)	(36)
		<hr/>	<hr/>
Gross profit		2,312	2,491
Other revenue and other net income	6	28	156
Selling and distribution expenses		(288)	(755)
General and administrative expenses		(14,000)	(12,632)
		<hr/>	<hr/>
Loss from operations	7	(11,948)	(10,740)
Finance costs	8	(6,448)	(5,352)
Share of profit of an associate	12	—	—
		<hr/>	<hr/>
Loss before taxation		(18,396)	(16,092)
Income tax	9	—	—
		<hr/>	<hr/>
Loss for the period		(18,396)	(16,092)
		<hr/> <hr/>	<hr/> <hr/>
Attributable to:			
Owners of the Company		(17,772)	(15,767)
Non-controlling interests		(624)	(325)
		<hr/>	<hr/>
Loss for the period		(18,396)	(16,092)
		<hr/> <hr/>	<hr/> <hr/>
		<i>HK Cents</i>	<i>HK Cents</i>
Loss per share	11		
— basic and diluted		(7.75)	(7.36)
		<hr/> <hr/>	<hr/> <hr/>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*For the six months ended 30 September 2014*

	Six months ended 30 September	
	2014	2013
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Loss for the period	(18,396)	(16,092)
Other comprehensive income for the period		
<i>Item that may be subsequently reclassified to profit or loss:</i>		
Exchange differences on translation of financial statements of group entities outside Hong Kong, net of nil tax	<u>9</u>	<u>10</u>
Total comprehensive loss for the period	<u>(18,387)</u>	<u>(16,082)</u>
Total comprehensive loss attributable to:		
Owners of the Company	(17,768)	(15,759)
Non-controlling interests	<u>(619)</u>	<u>(323)</u>
	<u>(18,387)</u>	<u>(16,082)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2014

	<i>Note</i>	30 September 2014 HK\$'000 (Unaudited)	31 March 2014 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment		1,270	1,639
Investment properties		—	14,150
Intangible assets		11,250	12,273
Interest in an associate	12	1,191,209	1,191,209
		1,203,729	1,219,271
Current assets			
Trade and other receivables	13	82,222	83,008
Cash and cash equivalents		4,779	3,962
		87,001	86,970
Current liabilities			
Trade and other payables	14	7,709	7,495
Obligation under a finance lease		142	139
Other borrowing		—	11,000
		7,851	18,634
Net current assets		79,150	68,336
Total assets less current liabilities		1,282,879	1,287,607
Non-current liabilities			
Promissory notes		171,788	166,074
Obligation under a finance lease		249	320
		172,037	166,394
NET ASSETS		1,110,842	1,121,213
CAPITAL AND RESERVES			
Share capital		46,927	45,647
Reserves		1,063,478	1,074,969
Total equity attributable to owners of the Company		1,110,405	1,120,616
Non-controlling interests		437	597
TOTAL EQUITY		1,110,842	1,121,213

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2014

1. GENERAL INFORMATION

Amax International Holdings Limited (the “Company”) was incorporated and domiciled in Bermuda as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of the registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and the head office and principal place of business of the Company is Units 5106–07, 51/F, The Center, 99 Queen’s Road Central, Central, Hong Kong.

The principal activities of the Company and its subsidiaries (together the “Group”) are investment in slot machines related operation, VIP gaming related operation, provision of software, hardware, transmission network and marketing service to Guangxi Welfare Lottery Issue Centre and investment holding. The principal activities of its associate are provision of casino management services including sales, promotion, advertising, patron referral, patron development and coordination of casino activities.

2. BASIS OF PREPARATION

a) Statement of compliance

The unaudited condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” and other relevant HKASs and Interpretations and Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements set out in Appendix 16 to the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange.

The unaudited condensed consolidated interim financial statements should be read in conjunction with the Annual Report of the Group for the year ended 31 March 2014.

The unaudited condensed consolidated interim financial statements are presented in Hong Kong dollars (“HK\$”) which is the same as the functional currency of the Group, rounded up to the nearest thousand, unless otherwise indicated.

b) Judgments and estimates

Preparing the unaudited condensed consolidated interim financial statements requires the Directors to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

In preparing these unaudited condensed consolidated interim financial statements, significant judgments made by the Directors in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group’s consolidated financial statements for the year ended 31 March 2014.

3. SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements have been prepared on the historical cost convention except for certain financial instruments which are measured at fair value, as appropriate.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

The accounting policies used in the unaudited condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2014, except in relation to the following new and revised HKFRSs issued by the HKICPA that affect the Group and are adopted for the first time in the current period’s financial statements.

- Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011). Investment entities
- Amendments to HKAS 32, Offsetting financial assets and financial liabilities
- Amendments to HKAS 36, Recoverable amount disclosures for non-financial assets
- Amendments to HKAS 39, Novation of Derivatives and continuation of hedge accounting
- HK (IFRIC)-Interpretation 21, Levies

The adoption of the new and revised HKFRSs has had no significant financial effect on these unaudited condensed consolidated interim financial statements.

4. SEGMENT INFORMATION

The Group principally has one reportable segment, which is the investment in gaming and entertainment related business. Therefore, no additional reportable segment has been presented. Additional information about geographical information and major customer of the Group has been disclosed in notes (a) and (b) below.

(a) Geographical information

The Group's revenue from external customers by geographical market is as follows:

	Six months ended 30 September	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Macau	2,400	2,400
PRC (excluding Macau and Hong Kong)	43	127
	<u>2,443</u>	<u>2,527</u>

The Group's information about its non-current assets by geographical location is as follows:

	30 September	31 March
	2014	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Macau	1,202,459	1,203,482
PRC	212	396
Hong Kong	1,059	15,393
	<u>1,203,730</u>	<u>1,219,271</u>

(b) Major customer

Revenue of HK\$2,400,000 (2013: HK\$2,400,000) was received/receivable from Greek Mythology (as defined below) for the six months ended 30 September 2014.

5. TURNOVER

An analysis of the Group's turnover is as follows:

		Six months ended 30 September	
		2014	2013
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Unaudited)
Income from investments in gaming and entertainment related business			
— Investment in VIP gaming related operation	a	1,800	1,800
— Investment in slot machine related operation	b	600	600
Commission income on provision of services to Guangxi Welfare Lottery Issue Centre		43	127
		2,443	2,527

a) Investment in VIP gaming related operation

		Six months ended 30 September	
		2014	2013
		<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Unaudited)
Monthly income		1,800	1,800
Net contribution from VIP gaming related operation attributable to the Group		1,800	1,800

b) Investment in slot machine related operation

		Six months ended 30 September	
		2014	2013
		<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Unaudited)
Monthly income		600	600
Net contribution from slot machine related operation attributable to the Group		600	600

6. OTHER REVENUE AND OTHER NET INCOME

An analysis of the Group's other revenue and other net income are as follows:

	Six months ended 30 September	
	2014	2013
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Other revenue		
Interest income from banks	1	1
Gross rental income from investment properties	25	23
Sundry income	2	144
	<u>28</u>	<u>168</u>
Other net income		
Loss on disposal of property, plant and equipment	—	(9)
Net exchange losses	—	(3)
	<u>—</u>	<u>(12)</u>
	<u>28</u>	<u>156</u>

7. LOSS FROM OPERATIONS

Loss from operations is arrived at after charging/(crediting):

	Six months ended 30 September	
	2014	2013
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
a) Staff costs		
Salaries, wages and other benefits	4,479	3,872
Contributions to defined contribution retirement plans	106	72
	<u>4,585</u>	<u>3,944</u>
b) Other items		
Depreciation of property, plant and equipment	312	373
Amortisation of intangible assets	1,023	1,023
Loss on disposal of a subsidiary	3	—
Loss on disposal of property, plant and equipment	71	9
Operation lease charges in respect of premises:		
— minimum lease payments	2,492	1,406
Gross rental income from investment properties less direct outgoings of HK\$Nil (2013: HK\$1,000)	(25)	(22)
	<u>(25)</u>	<u>(22)</u>

8. FINANCE COSTS

	Six months ended 30 September	
	2014	2013
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interests on promissory notes	5,714	5,340
Finance charges on obligations under a finance lease	8	11
Finance charges on an other borrowing	726	—
Others	—	1
	<hr/>	<hr/>
Total interest expenses on financial liabilities not at fair value through profit or loss	6,448	5,352

9. INCOME TAX

No provision for Hong Kong profits tax, Macau Complementary Income Tax and People's Republic of China ("PRC") Enterprise Income Tax has been made as the companies within the Group have no assessable profits for the six months ended 30 September 2014 and 2013 in the relevant tax jurisdictions.

10. DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the six months ended 30 September 2014 (2013: Nil).

11. LOSS PER SHARE

(a) Basic loss per share

The calculation of the loss per share is based on the unaudited loss attributable to owners of the Company of approximately HK\$17,772,000 (2013: HK\$15,767,000) and the weighted average number of ordinary shares in issue during the Period Under Review, calculated as follows:

	Six months ended 30 September	
	2014	2013
	'000	'000
Issued ordinary shares at 1 April	228,233	207,633
	<hr/>	<hr/>
Effect of share issue under placing	1,189	6,614
	<hr/>	<hr/>
Weighted average number of ordinary shares at 30 September	229,422	214,247

The weighted average number of ordinary shares of basic loss per share for the six months ended 30 September 2014 and 2013 have been adjusted for the placing of new shares.

(b) Diluted loss per share

No adjustment has been made to the basic loss per share amounts presented for both the six months ended 30 September 2014 and 2013 in respect of a dilution as the impact of the share options had an anti-dilutive effect on the basic loss per share amounts presented.

12. INTEREST IN AN ASSOCIATE

Since the unaudited consolidated interim financial information for the six months ended 30 September 2014 of Greek Mythology (Macau) Entertainment Group Corporation Limited (“Greek Mythology”) is not available, the interest in the associate was accounted for in the unaudited condensed consolidated interim financial statements under the equity method using the unaudited financial information of the associate as at 31 March 2012. The carrying amount of the interest in an associate of HK\$1,191,209,000 brought forward from 1 April 2014 was carried forward to 30 September 2014.

13. TRADE AND OTHER RECEIVABLES

	30 September 2014 HK\$'000 (Unaudited)	31 March 2014 HK\$'000 (Audited)
Other receivables	27,781	28,513
Less: impairments	<u>(25,300)</u>	<u>(25,300)</u>
	2,481	3,213
Due from an associate	<u>77,565</u>	<u>75,165</u>
Loans and receivables	80,046	78,378
Rental and other deposits	1,321	1,252
Prepayments	<u>855</u>	<u>3,378</u>
	<u>82,222</u>	<u>83,008</u>

14. TRADE AND OTHER PAYABLES

	30 September 2014 HK\$'000 (Unaudited)	31 March 2014 HK\$'000 (Audited)
Trade payables	1,011	962
Accruals and other payables	6,542	6,377
Due to related companies	<u>156</u>	<u>156</u>
Financial liabilities measured at amortised cost	<u>7,709</u>	<u>7,495</u>

All of the trade and other payables are expected to be settled within one year or payable on demand.

15. NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

As a post result event taken place in October 2014, the Company entered into a sale and purchase agreement for the acquisition of 60% equity interests in Forenzia Enterprises Limited (“Forenzia Enterprises”) at a consideration of HK\$48.1 million by way of issuing new ordinary shares. Forenzia Enterprises is principally engaged in conducting gaming business in Vanuatu and has obtained, through its wholly-owned subsidiaries, an interactive gaming license in Vanuatu. The first tranche of 22,200,000 new ordinary shares were issued to the vendor upon the completion of the sale and purchase of 60% equity interests of Forenzia Enterprises on 11 November 2014. The second tranche of 14,800,000 new ordinary shares will be issued within 6 months after the commencement of business operation of the subsidiaries of Forenzia Enterprises.

On 25 November 2014, the Company entered into a placing and subscription agreement with a subscriber and a placing agent pursuant to which the placing agent acted for the subscriber to place 9,900,000 existing placing shares at a price of HK\$0.93 per share, and the subscriber agreed to subscribe for 9,900,000 new subscription shares at a price of HK\$0.93 per share. The aggregate gross and net proceeds are approximately HK\$9.21 million and HK\$9.06 million respectively. The placing shares represent approximately 3.86% of the issued share capital of the Company as of 25 November 2014 and approximately 3.71% of the issued share capital as enlarged by the subscription and the allotment and issue of the subscription shares.

MANAGEMENT DISCUSSION AND ANALYSIS

The board (the “Board”) of directors (the “Directors”) of Amax International Holdings Limited (the “Company”; stock code: 959) reports the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 September 2014 (the “Period Under Review”). The unaudited interim results have been reviewed by the Audit Committee of the Company.

Financial review

The Group is principally engaged in investments in high-end gaming and entertainment related business. The first six months of the financial year saw significant progress in the Company’s continuous efforts in consolidating its business resources and diversifying its investment geographically.

Turnover of the Group was approximately HK\$2.44 million for the Period Under Review, as compared to approximately HK\$2.53 million for the corresponding period last year. During the Period Under Review, the Group’s main sources of income was the income from VIP gaming and slot machine related operations.

During the Period Under Review, the Group recorded a loss of approximately HK\$18.40 million compared to a loss of approximately HK\$16.10 million for the corresponding period in 2013. The increase in loss was mainly attributable to the increase in general and administrative expenses and finance costs during the Period Under Review.

Equity fund-raising activities

In August 2014, the Company entered into a placing and subscription agreement with a subscriber and a placing agent pursuant to which the placing agent acted for the subscriber to place 6,400,000 existing placing shares at a price of HK\$1.20 per share, and the subscriber subscribed for 6,400,000 new subscription shares at a price of HK\$1.20 per share.

In November 2014, the Company entered into a placing and subscription agreement with a subscriber and a placing agent pursuant to which the placing agent acted for the subscriber to place 9,900,000 existing placing shares at a price of HK\$0.93 per share, and the subscriber agreed to subscribe for 9,900,000 new subscription shares at a price of HK\$0.93 per share.

The aggregate gross and net proceeds from the above equity fund-raising activities are approximately HK\$16.89 million and HK\$16.62 million respectively, which were planned to be used as general working capital and investment of the Group.

Business overview

Greek Mythology

Greek Mythology is an associate of the Group in which the Group owns 24.8% equity interests. It operates and manages Greek Mythology Casino. The Company has since taken continuous actions in an attempt to obtain the financial information of Greek Mythology, which is believed to have significant impact on the Group’s results. In February 2014, the Company filed a court action in Macau against Greek Mythology in relation to its failure to provide the management accounts for the year ended 31 December 2012 to its shareholders. The court ruled on 19 May 2014 that the administrator of Greek Mythology shall within 60 days provide the Company with its management accounts for the year ended 31 December 2012. Subsequently, the Company took further legal action and filed with the court on 18 June 2014 to seek the relief and claim that Greek Mythology provide

its management accounts to the Company for the year ended 31 December 2013. The court made a ruling on 7 November 2014 that the administrator of the Associate shall within 60 days provide its management accounts for the year ended 31 December 2013.

On 9 October 2014, the Company received what purported to be the management accounts of Greek Mythology for the year ended 31 March 2013 despite the fact that the Company has not received any notice from Greek Mythology to convene general meeting to approve the annual accounts. As the Company considered that Greek Mythology has failed to provide all documentation concerning the annual accounts necessary for the Company to verify the financial information, the Company is seeking further advices from the Macau lawyer for taking further actions to request Greek Mythology to meet its obligations. The Company will closely monitor the development of this matter and timely inform its shareholders on any significant development.

Acquisition in Vanuatu

In the past years, the gaming industry in Macau has enjoyed robust growth in revenue as well as the number of market players. However, the industry is encountering negative growth in recent months, the gaming revenue surprisingly plunged by 11.7% and 23.2% year-on-year in September and October 2014 respectively. This disappointing results can be directly linked to a number of emerging challenges, such as Macau government's control on the supply of gaming tables; slowing economic environment in China; and slow down in the growth in Macau's gaming industry especially the high roller segment. Macau's position as destination of choice for Chinese gamblers has been gradually eroded by the increasing competition elsewhere in Asia such as Singapore, Malaysia, Cambodia, South Korea and the Philippines.

In this regard, the Group tried to consolidate its business resources and sought to expand its core business outside Macau, when all signs in the market were pointing to a slowed and even negative growth in Macau's gaming industry this year and in the near term. The management of the Company believes that over-reliance on a developed market such as Macau would limit the growth potential and intensify competition among market players. It therefore proactively seeks investment opportunities outside Macau to absorb the unfulfilled demand from high rollers in Asia.

The management of the Company is optimistic about the gaming business prospects in the Republic of Vanuatu. Tourism is one of the mainstays of the economy of this South Pacific island nation, attracting tourists from Australia, New Zealand, New Caledonia, Europe, North America and Japan every year. Vanuatu is widely recognized as one of the premier vacation destinations for scuba divers wishing to explore coral reefs of the South Pacific region.

In addition, Vanuatu enjoys a stable political environment, high accessibility from major Asian cities and a low tax regime. The government is supportive of the development of its gaming sector. The Company has full confidence in the high potential of Vanuatu and is well-poised to absorb the unfulfilled demand by establishing a casino operation there.

As a post result event taken place in October 2014, the Company entered into a sale and purchase agreement for the acquisition of 60% equity interests in Forenzia Enterprises Limited ("Forenzia Enterprises") at a consideration of HK\$48.1 million by way of issuing new ordinary shares. Forenzia Enterprises is principally engaged in conducting gaming business in Vanuatu and has obtained, through its wholly-owned subsidiaries, an interactive gaming license in Vanuatu. The Company believes that the acquisition will provide the Company with another stable income source and position the Company advantageously in the highly competitive gaming industry in Asia Pacific. The first tranche of 22,200,000 new ordinary shares were issued to the vendor upon the completion of the sale

and purchase of 60% equity interests of Forenzia Enterprises on 11 November 2014. The second tranche of 14,800,000 new ordinary shares will be issued within 6 months after the commencement of business operation of the subsidiaries of Forenzia Enterprises.

The successful acquisition will be a milestone in the Company's development, enabling it to diversify its investment beyond Macau and generate long term return for its shareholders.

Prospects and outlook

Leveraging its extensive experience in the gaming and entertainment industry, the Group will seek to branch out its gaming and entertainment investments beyond Macau.

The Company's strategy is to develop itself into an investment holding company with multiple stable income sources. Looking forward, a major focus of the Group will be to explore M&A opportunities worldwide. The Group is pleased to be able to materialise the acquisition in Vanuatu and is committed to turning the operations into a success.

The Group is slowly recovering from the aftermath of a series of events which has caused major disruption to its business in the past years. The Group is devoted to resuming normal operation of its business and investing resources to bring the business back to a profitable position.

The Group will continue to identify other business opportunities and develop a diverse investment portfolio to generate long term value for its investors and shareholders.

Appreciation

The Board would like to take this opportunity to thank the management and staff for their contribution and support. We look forward to sharing our success with them. We are grateful for the trust and continued support of our investors and shareholders and are committed to creating long term value and return for them.

INTERIM DIVIDEND

The Directors did not recommend the payment of any interim dividend for the six months ended 30 September 2014 (2013: Nil).

LIQUIDITY AND FINANCIAL RESOURCES

The Group adopts a prudent treasury policy. It finances its operations and investments with internal resources, cash revenues generated from operating activities and proceeds from equity fund-raising activities.

As at 30 September 2014, the Group had total assets and net assets of approximately HK\$1,291 million (31 March 2014: approximately HK\$1,306 million) and approximately HK\$1,111 million (31 March 2014: approximately HK\$1,121 million) respectively, comprising non-current assets of approximately HK\$1,204 million (31 March 2014: approximately HK\$1,219 million) and current assets of approximately HK\$87 million (31 March 2014: approximately HK\$87 million) which were financed by shareholders' funds of approximately HK\$1,111 million (31 March 2014: approximately HK\$1,121 million), non-controlling interests of approximately HK\$437,000 (31 March 2014: approximately HK\$597,000), current liabilities of approximately HK\$8 million (31 March 2014: approximately HK\$19 million) and non-current liabilities of approximately HK\$172 million (31 March 2014: approximately HK\$166 million).

The Group's current ratio, expressed as current assets over current liabilities, was approximately 11.08 times (31 March 2014: approximately 4.67 times). The Group's gearing ratio, calculated as a ratio of debt (including promissory note) to shareholders' equity, was approximately 16% (31 March 2014: approximately 17%).

FOREIGN EXCHANGE AND CURRENCY RISKS

It is the Group's policy for its operating entities to operate in their corresponding local currencies to minimise currency risks. The principal businesses of the Group are conducted and recorded in Hong Kong dollars, Renminbi and Macau Patacas. As its exposure to foreign exchange fluctuation is minimal, the Group does not see the need for using any hedging tools.

EMPLOYEES AND REMUNERATION POLICY

The Group is aware of the importance of human resources and is dedicated to retaining competent and talented employees by offering them competitive remuneration packages. Their salaries and bonuses were determined with reference to their duties, work experience, performance and prevailing market practices. The Group also participates in the Mandatory Provident Fund ("MPF") scheme in Hong Kong, and provides employees with medical insurance coverage. A share option scheme is in place to reward individual employees for their outstanding performance and contribution to the success of the Group.

CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 30 September 2014.

CORPORATE GOVERNANCE

The Group continues to commit itself to maintaining a high standard of corporate governance with emphases on enhancing transparency and accountability and assuring of good application of practices and procedures within the Group and enhancing performance thereby, augmenting shareholders' value and benefiting our stakeholders at large.

The Company has applied the principles of, and complied with all applicable code provisions as set out in the Corporate Governance Code (the "CG Code") in Appendix 14 to the Listing Rules throughout the Period Under Review with the exception of certain deviations as further explained below.

Code provision A.2.1 of the CG Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Mr. Ng Man Sun currently assumes the roles of both the chairman (the "Chairman") of the Board and the chief executive officer (the "CEO") of the Company. The Board believes that the roles of the Chairman and CEO performed by Mr. Ng provide the Group with strong and consistent leadership and are beneficial to the Group especially in planning and implementation of the Company's business strategies. The Board will regularly review effectiveness of such arrangement.

Code provision A.4.1 of the CG Code provides that non-executive directors should be appointed for a specific term, and subject to re-election.

None of the non-executive directors of the Company, being all existing independent non-executive directors ("INEDs") of the Company, is appointed for a specific term. However, all INEDs are subject to retirement by rotation but eligible for re-election at least once every three years at the

annual general meeting (“AGM”) in accordance with the Bye-laws of the Company. The Company has also received the confirmation of independence from each INED and has grounds to believe that they are independent of the Company.

Code provision E.1.2 of the CG Code provides that the chairman of the board should attend the annual general meeting.

Due to other business commitments, Mr. Ng Man Sun, being the Chairman of the Board, was unable to attend the AGM of the Company held on 29 August 2014. He had arranged Ms. Ng Wai Yee, another executive director of the Company and who is very familiar with the Group’s business and operations, to attend and chair the AGM.

Code provision A.6.7 of the CG Code provides that independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders.

Due to other business commitments, Ms. Yeung Pui Han, Regina and Ms. Sie Nien Che, Celia, being INEDs of the Company, did not attend the AGM of the Company held on 29 August 2014.

REVIEW OF RESULTS

The Group’s unaudited condensed consolidated interim results for the six months ended 30 September 2014 and the accounting principles and practices adopted by the Group have been reviewed by the Audit Committee of the Company.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

There was no purchase, sale or redemption by the Company nor any of its subsidiaries of the Company’s listed securities during the Period Under Review.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules as its code of conduct for securities transactions by the Directors and has adopted written guidelines no less exacting than the Model Code for the relevant employees in respect of their dealings in the Company’s securities.

Having made specific enquiries of all Directors, all Directors confirm that they have complied with the required standard set out in the Model Code and its code of conduct regarding securities transactions throughout the Period Under Review.

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

Hong Kong, 28 November 2014

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.