

Hong Kong Exchanges 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 INTERNATIONAL HOLDINGS LIMITED

奧瑪仕國際控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 959)

**DISCLOSEABLE TRANSACTION
IN RESPECT OF
THE OPERATING RIGHTS OF A VIP ROOM**

Reference is made to the announcements of Amax International Holdings Limited dated 4 September 2017 and 30 October 2017 in relation to the proposed transaction of leasing operating rights of the Target VIP Room located in a casino in Cambodia. Terms defined in the Announcements shall have the same meanings when used herein, unless the context requires otherwise.

On 30 November 2017 (after trading hours of the Stock Exchange), Victor Mind Global Limited, a wholly-owned subsidiary of the Company which as the Licensee, and Crown Resorts Co., Ltd which as the Licensor, entered into the License Agreement, pursuant to which the Licensor has agreed to rent the Target VIP Room to the Licensee for a term of 3 years commencing from 1 December 2017.

The operation of the Target VIP Room will be outsourced to the Operator who will manage and operate 13 VIP baccarats gaming tables. The Operator is also responsible for formulating strategies; monitoring the human resources and administration functions; promoting the Target VIP Room; overseeing the entire day-to-day operations of the Target VIP Room as well as liaising with the Operator's junkets network to bring players to the Target VIP Room. In addition, the Operator shall also negotiate with Genting Crown Casino on promotion and marketing plan to attract public table players to join the Target VIP Room baccarats gaming tables.

To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the Licensor and their respective associates are Independent Third Parties.

As one or more of the applicable percentage ratios in respect of the licensing transaction calculated pursuant to the Listing Rules are more than 5% but less than 25%, the licensing transaction constitutes a discloseable transaction of the Company for the purpose of the Listing Rules, and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Reference is made to the announcements of Amax International Holdings Limited dated 4 September 2017 and 30 October 2017 (the “**Announcements**”) in relation to the proposed transaction of leasing operating rights of the Target VIP Room located in a casino in Cambodia. Terms defined in the Announcements shall have the same meanings when used herein, unless the context requires otherwise.

On 30 November 2017 (after trading hours of the Stock Exchange), Victor Mind Global Limited, a wholly-owned subsidiary of the Company which as the Licensee, and Crown Resorts Co., Ltd which as the Licensor, entered into the License Agreement, pursuant to which the Licensor has agreed to rent the Target VIP Room to the Licensee for a term of 3 years commencing from 1 December 2017. Principal terms of the License Agreement are as follows:

Date: 30 November 2017 (after trading hours of the Stock Exchange)

Parties: Victor Mind Global Limited as Licensee; and
Crown Resorts Co., Ltd as Licensor

Term: 3 years from 1 December 2017. License fees charged by the Licensor are in the following manner:

- i. RMB500,000 per month (inclusive of tax) in the first year;
- ii. RMB550,000 per month (inclusive of tax) in the second year; and
- iii. RMB600,000 per month (inclusive of tax) in the third year

Venue: the Target VIP Room situated at the 2nd floor of the Casino in Cambodia with site area of approximately 1,150 meter square. The Target VIP Room is currently operating 13 VIP baccarats gaming tables. There is no limitation on the number of tables to be operated under the License Agreement.

Other terms: The Licensor shall provide full support to the operator of the Target VIP Room including (i) provide special hotel room discount to Target VIP Room customer; (ii) transportation; (iii) visa application of the casino patrons and casino expatriate staffs; and (iv) provide all utilities, including electricity and water to the Target VIP Room at the cost of the Licensee.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquires, the Licensor and their respective associates are third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules).

INFORMATION OF THE TARGET VIP ROOM AND GENTING CROWN CASINO AND BACKGROUND OF THE ENTERING INTO OF THE LICENSE AGREEMENT

Genting Crown Casino is one of the first batch licensed casinos established by Crown Resorts Co., Ltd. in Poipet in 1999. The Casino is an integrated hotel-casino entertainment complex operating (i) public floor gaming tables and slot machines; (ii) VIP gaming tables; and (iii) hotel, catering and entertainment businesses.

The Casino is situated at Poipet of Cambodia which is located at the Cambodia-Thailand border area.

Due to the excellent geographical location and given the fact that gambling is prohibited in Thailand, Thai nationals have long been the one of the major customers of the Casino. Recently, with the economic growth of Cambodia driven by the close business relationship between Cambodia and China, China visitors has become the new growth driver of the VIP Room business of the Casino.

Regarding the business operation of the Target VIP Room, it has long been the practice of the Casino to license the Target VIP Room to junkets. Since April 2016, the Target VIP Room has been licensed to a junket who will be appointed by the Company as the Operator to oversee the overall operation and management of the Target VIP Room. The Operator was one of the top junkets of the Greek Mythology Casino from 2006 to 2011.

Subsequently, the Operator developed his own gaming business in other Asia-Pacific areas, which include operating VIP rooms located at Sands in Singapore and Imperial Pacific Resort Hotel at Saipan. Throughout his tenure with the Casino, the Operator has successfully migrated certain existing long-term relationship PRC high rollers to Cambodia and at the same time, built up his own junket network in Cambodia, Thailand and Vietnam.

BUSINESS MODEL OF THE TARGET VIP ROOM

The operation of the Target VIP Room will be outsourced to the Operator who will manage and operate 13 VIP baccarat gaming tables. The Operator is also responsible for formulating strategies; monitoring the human resources and administration functions; promoting the Target VIP Room; overseeing the entire day-to-day operations of the Target VIP Room as well as liaising with the Operator's junkets network to bring players to the Target VIP Room. In addition, the Operator shall also negotiate with the Casino on promotion and marketing plan to attract public table players to join the Target VIP Room baccarat gaming tables.

The Operator will negotiate with junkets for sourcing players to play in the Target VIP Room. The major potential customers of the Target VIP Room will be high rollers from the PRC, Thailand and across Asia, and the junkets will promote the Target VIP Room in Macau and across Asia. High rollers will visit the Target VIP Rooms and the junkets will bear all transportation and accommodation costs of the high rollers.

All transactions, settlements and outstanding balance account of each player and junket will be recorded and confirmed by the Operator and the Casino. The junkets and the players shall deposit cash into the Target VIP Room before they can withdraw junket chips for betting. The amount of deposit will be varied from each junkets and players and no credit facility will be provided to the junkets and the players by the Operator and VMG.

Revenue of the business is the Net Winning net of junket commission and rolling commission. The major costs of the business include the service fee paid to the Operator, the commissions paid to the junkets or players, staff salaries and monthly rental expense which covers fees payable to the government of Cambodia and utilities.

Internal Controls on Anti-Money Laundering

The Operator will adopt the AML policies and procedures currently in use by the Group in respect of anti-money laundering, measures covered by the AML policies and procedures include, but not limited to:

1. to verify individuals' identities and keep proper records on the players and the junkets;

2. to record any bets, single or aggregated, over a certain amount and the parties involved; and
3. to report suspicious irregularities to relevant authorities, which the Operator will monitor the operations of the Target VIP Room to identify any suspicious irregularities and report to VMG and relevant authorities immediately.

The Target VIP Room will also develop comprehensive procedures for its financial closing and reporting process and update its control system and compliance procedures accordingly whenever there are changes in the anti-money laundering laws and regulations.

The Company will conduct internal control review on the internal systems and procedures and anti-money laundry mechanism of the Target VIP Room on a regular basis.

RISKS RELATING TO THE BUSINESS, OPERATIONS AND THE GAMING INDUSTRY IN CAMBODIA

The winnings of our players could exceed the Target VIP Room's winnings.

The Target VIP Room revenues are mainly derived from the difference between the Target VIP Room's winnings and the winnings of its players. Since there is an inherent element of chance in the gaming industry, the Target VIP Room does not have full control over the Target VIP Room's winnings or the winnings of its players. If the Target VIP Room's winnings are less than the winnings of its players, it may record a loss from its gaming operations, and its business, financial condition and results of operations could be materially and adversely affected.

Theoretical win rates for the Target VIP Room's operations depend on a variety of factors, some beyond our control.

The gaming industry is characterized by an element of chance. In addition to the element of chance, theoretical win rates are also affected by other factors, including players' skill and experience, the financial resources of players, the spread of table limits, the volume of bets placed by our players and the amount of time players spend on gambling — thus the Target VIP Room's actual win rates may differ greatly over short time periods and could cause our results to be volatile. These factors, alone or in combination, have the potential to negatively impact the Target VIP Room's win rates, and our business, financial condition and results of operations could be materially and adversely affected.

The Target VIP Room cannot assure its anti-money laundering and anti-corruption policies will be effective in preventing the occurrence of money laundering or other illegal activities at the Target VIP Room.

Through the Operator, the Target VIP Room will implement anti-money laundering policies in compliance with all applicable laws and regulations in Cambodia. However, the Target VIP Room cannot assure such policies will be effectively carried out by responsible personnel in order to prevent the operations from being exploited for money laundering purposes. Any incidents of money laundering, accusations of money laundering or regulatory investigations into possible money laundering activities involving the Target VIP Room, the Operator, its employees, its junkets or its players could have a material adverse impact on its reputation, relationship with its regulators, business, cash flows, financial condition, prospects and results of operations. Any serious incident of money laundering or regulatory investigation into money laundering activities may cause a revocation or suspension of the operations.

The Target VIP Room business is sensitive to downturns in the economy, economic uncertainty and other factors affecting discretionary consumer spending.

Demand for the type of gaming services the Target VIP Room offer is sensitive to downturns and uncertainty in the global and regional economy and corresponding decreases in discretionary consumer spending, including on leisure activities. Changes in discretionary consumer spending or consumer preferences could be driven by factors such as perceived or actual general economic conditions, energy, fuel and other commodity costs, the cost of travel, employment and job market conditions, actual or perceived levels of disposable consumer income and wealth, and consumer confidence in the economy. These and other factors have in the past reduced consumer demand for the gaming services the Target VIP Room offer, imposed practical limits on pricing and materially and adversely affected our business, financial condition and results of operations and could affect the Target VIP Room's liquidity position.

If China or other countries impose or adjust government restrictions on currency conversion or the ability to export currency, our business or results of operations could be adversely affected. The major potential customers of the Target VIP Room will be high rollers from the PRC and across Asia. China currently imposes currency exchange controls and restrictions on the export and conversion of its currency, the Renminbi. Restrictions on the export of the Renminbi, as well as increases in the effectiveness of such restrictions, may impede the flow of gaming patrons from China to Cambodia, inhibit the growth of gaming in Cambodia and negatively impact the Target VIP Room's gaming operations. In addition, currency exchange controls and restrictions on the export of currency by other countries may negatively impact the success of our business.

REASON FOR THE ENTERING INTO OF THE LICENSE AGREEMENT

Cambodia has been one of the members of ASEAN since 1997 which has been enjoying numerous free trade arrangements among Asia countries including but not limited to China, Korea, Australia, New Zealand, Japan and India.

According to a research report released by HKTDC on 6 September 2017, services has become the largest sector in Cambodia and contributes to 44% of gross domestic product, while the industry sector represents 30% of the gross domestic product. Given (i) the relatively low labour costs and costs of the land use in Cambodia; and (ii) the continuous implementation of reform and opening up policies towards foreign investment and tax by Cambodia government to encourage foreign investment, in particular enterprises from China, Cambodia has successfully attracted numerous foreign enterprises investing in Cambodia among which China has become the largest investor. Based on statistics from China's Ministry of Commerce, China's cumulative foreign direct investment in Cambodia increased from US\$1.1 billion in 2010 to US\$3.7 billion in 2015, representing an increase of approximately 236.4%.

Given the fact that services sector has become the largest contribution sector to the gross domestic product of Cambodia, the Cambodia government has been supporting development of tourism in Cambodia which include but not limited to (i) repair and recover monuments; (ii) increase scenic spots; and (iii) open new direct flight routs and negotiate with airlines to increase flights to Cambodia. The proactive development of Cambodia's tourism has to a large extent, driving the development of local hotel and entertainment industries.

International tourist arrivals to Cambodia for the first four months of 2017 reached approximately 1.92 million people, representing a further increase of approximately 12.3% over the same period in 2016. Hotel occupancy rate has been maintained at approximately 70% for the past three years despite the fact that new hotels and resorts were opened throughout the periods. In addition, during the first four months of 2017, China has first to become the largest visitors' arrivals country.

Gambling is illegal in most of the countries sharing borders with Cambodia. Laos bans gambling and the strict Buddhist cultures of Thailand and Myanmar also prohibit gambling. Cambodia has been one of the few countries which allow gambling business to foreigners in Southeast Asia since late 1990s. Cambodian government went on to welcome gambling providers into the country during the past few years and its liberal gambling laws have been successful in attracting major investors into its casino industry. According to the Finance Ministry's financial industry department, Cambodia, gaming taxes in 2015 was approximately US\$34.7 million (equivalent to approximately HK\$270.66 million), representing an increase of approximately 35% when compared

with 2014. In 2016, the Cambodian government collected approximately US\$48 million (equivalent to approximately HK\$374.40 million) gaming taxes, represents a further increase of 38.33% compared with 2015. According to the Finance Ministry's financial industry department, Cambodia, there were 77 valid casino licenses, of which 65 were currently operational.

Cambodia has become a well-known travel destination for those looking to create a sense of adventure, and it was analysed that the Cambodian government is keen to further increase revenue by opening its doors to foreign casino resort operators. The Cambodian government is also keen on more tourism over high tax, which means gaming tax rate in Cambodia tends to remain at single digit and low in future.

With the combined effect of (i) relatively low gaming taxes; and (ii) aggressive promotion campaign launched by the Cambodian government, it is expected that gambling industry in Cambodia will continue to experience a high net-worth growth in future.

Apart from the traditional popular gaming and tourist areas, such as Phnom Penh and Sihanoukville, in border towns such as Poipet, there are "casino strips" between border checkpoints so that foreign nationals may cross the border to gamble then return home without officially passing through the Cambodian checkpoint, thereby eliminating the need for visas.

According to the Cambodian government, majority of the infrastructure had been completed and it is expected that the railway system could be opened in 2018. With the new railway system, it is expected the travel time from Poipet to other cities in Cambodia could be shortened significantly. Due to the geographical advantage in Poipet, gaming industry has also been developing rapidly in those areas.

Given the above, the management of the Company is of the view that Poipet has potential to become another well developed gaming city in Cambodia after Phnom Penh. The entering into of the License Agreement with Genting Crown Casino for an exclusive period of three years and the outsourcing of the operation and management of the Target VIP Room to the Operator, who had been one of the top junkets of the Greek Mythology Casino and has been operating the Genting Crown Casino since March 2016, represent a valuable business opportunity for the Company to promptly develop its gaming business in Cambodia. The Directors are of the view that the terms of the License Agreement are fair and reasonable, on normal commercial terms and the entering into of the License Agreement is in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the licensing transaction calculated pursuant to the Listing Rules are more than 5% but less than 25%, the licensing transaction constitutes a discloseable transaction of the Company for the purpose of the Listing Rules, and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“AML”	Anti-Money laundering
“ASEAN”	Association of Southeast Asian Nations
“Board”	board of Directors
“Cambodia”	Kingdom of Cambodia
“Casino”	Genting Crown Casino which is situated at Poipet of Cambodia
“China” or “PRC”	the People’s Republic of China
“Company”	Amax International Holdings Limited (stock code: 959), a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning set out in the Listing Rules
“Director(s)”	director(s) of the Company
“Greek Mythology Casino”	a casino operated by Greek Mythology (Macau) Entertainment Group Corporation Limited under the gaming concession of Sociedade de Jogos de Macau, S.A. in Beijing Imperial Palace Hotel
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“License Agreement”	the License agreement to be entered into between VMG and Crown Resorts Co., Ltd in relation to the renting of the Target VIP Room for a term of 3 years
“Licensee”	Victor Mind Global Limited
“Licensor”	Crown Resorts Co., Ltd
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LOI”	the non-legally binding letter of intent dated 4 September 2017 in relation to the possible co-operation of the Target VIP Room
“Macau”	the Macau Special Administrative Region of the PRC
“Net Winning”	aggregate net difference between gaming wins and losses
“Operator”	an independent operator appointed by VMG to operate and management the Target VIP Room in the Casino
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target VIP Room”	the VIP room situated on the 2nd floor of the Casino with site area of approximately 1,150 meter square. The Target VIP Room is currently operating 13 VIP baccarats gaming tables by the Operator
“US\$”	United States dollars, the lawful currency of the United States
“VIP”	very important person

“VMG” Victor Mind Global Limited, a company incorporate in the British Virgin Islands with limited liabilities and is a 100% wholly-owned subsidiary of the Company

“%” per cent

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

Hong Kong, 30 November 2017

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.