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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)

MAJOR TRANSACTION IN RELATION TO THE DISPOSAL OF THE MOBILE GAME APPS

INTRODUCTION

The Board is pleased to announce that on 5 June 2019 (after trading hours of the Stock Exchange), the Vendor (a wholly-owned subsidiary of the Company), entered into the Agreement with the Purchaser pursuant to which the Vendor has conditionally agreed to dispose of, and the Purchaser has conditionally agreed to purchase the Mobile Game Apps at the Consideration of HK\$30 million.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal exceed 25% but are below 75%, the Disposal constitutes a major transaction of the Company and is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Pursuant to Rule 14.60(7) of the Listing Rules, the Company is required to despatch to the Shareholders a circular in relation to the Disposal and other information required under the Listing Rules within 15 business days after the publication of this announcement, that is, on or before 27 June 2019.

Shareholders and potential investors of the Company should note that Completion is subject to the fulfillment or waiver (as the case may be) of the conditions precedent set out in the Agreement and therefore may or may not occur. Shareholders and potential investors of the Company are reminded to exercise caution when dealing with the Shares and other securities of the Company.

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THE AGREEMENT

Principal terms of the Agreement are set out as follows:

Date

5 June 2019 (after trading hours of the Stock Exchange)

Parties

- (i) the Vendor; and
- (ii) the Purchaser

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

Assets to be disposed of

Pursuant to the Agreement, the Vendor has conditionally agreed to dispose of, and the Purchaser has conditionally agreed to purchase the Mobile Game Apps. The Mobile Games Apps comprise of 30 offline mobile game apps' source codes which cover the areas including but not limited to (i) leisure and entertainment; (ii) education and intellectual; (iii) sport; and (iv) adventures.

Consideration

The consideration of the Mobile Game Apps is HK\$30 million, which shall be payable by the Purchaser by way of cash within 8 business days from the date of the Agreement. The Consideration is refundable within 8 business days in case the Agreement is terminated.

The Consideration was arrived at after arm's length negotiations between the parties to the Agreement after taking into account, among others, (i) the carrying value of the Mobile Game Apps of HK\$30 million as at the date of this announcement; and (ii) the information set out under the section headed "REASONS FOR AND BENEFIT OF THE DISPOSAL AND USE OF PROCEEDS" below.

Conditions precedent

Completion is conditional upon and subject to the following conditions:

- (i) the due diligence review and the acceptance test on the Mobile Game Apps having been completed to the satisfaction of the Purchaser; and
- (ii) the Agreement and the transactions contemplated thereunder be approved by the Shareholder(s) in accordance with the Listing Rules and the applicable laws and regulations by way of written Shareholder's approval or otherwise by passing the requisite resolution(s) at a general meeting of the Company.

If any of the above conditions are not satisfied by the Long Stop Date (or on such date as shall be extended by agreement between the parties), the Agreement shall be terminated and have no effect and neither party shall then have any liability hereunder.

Completion

Completion shall take place upon full settlement of the Consideration by the Purchaser to the Vendor.

INFORMATION OF THE PURCHASER AND THE VENDOR

The Purchaser is Galaxy World Co., Ltd., a company incorporated in the Kingdom of Cambodia.

The Vendor is the beneficial owner of the Mobile Game Apps and is a wholly-owned subsidiary of the Company.

FINANCIAL EFFECT OF THE DISPOSAL

Following the Completion, the Group will not record any gain or loss on disposal of the Mobile Game Apps, taking into account of (i) the Consideration; and (ii) the carrying value of the Mobile Game Apps of HK\$30 million as at the date of this announcement. Upon Completion, the Mobile Game Apps will cease to become an asset of the Company.

It should be noted that the actual gain or loss on the Disposal to be recorded by the Group will depend on the carrying value of the Mobile Game Apps recorded on the Group's financial statements at the Completion Date and therefore may be different from the amount mentioned above.

REASONS FOR AND BENEFIT OF THE DISPOSAL AND USE OF PROCEEDS

The principal activities of the Group are operating the gaming business in Vanuatu and the VIP room in Cambodia and the development of innovative intellectual properties and technological solutions, mobile apps development and the provision of IT solutions to clients and mobile users (the “**IT Solutions Business**”).

After reviewing business performance of the Group’s existing business segments, the Company considered focusing more resources on the Group’s gaming businesses and IT Solutions Business. On the other hand, the Group is sourcing fund to proceed with the cash flow requirement under the settlement deed dated 29 December 2017 (details are disclosed in the announcements of the Company dated 29 December 2017, 19 June 2018 and 23 July 2018). Therefore, the Company is of the view that the Disposal will strengthen the Group’s cash position to (i) meet the cash flow requirement under the settlement deed when materialized; (ii) retain resources to develop the Group’s gaming businesses and IT Solutions Business; and (iii) for general working capital to maintain daily operation of the Group.

Based on the above-mentioned reasons, the Directors are of the view that the terms of the Agreement and the transactions contemplated thereunder are fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole.

The net cash proceeds from the Disposal, after deducting the estimated expenses in relation to the Disposal, will amount to approximately HK\$29.5 million. Subject to the Completion taking place, it is currently intended that the proceeds of the Disposal will be allocated for investment opportunities in Hong Kong and the Asia Pacific in respect of the gaming and the information technology industries when opportunities arise, repayment of other borrowings and promissory notes and for general working capital for the Group’s existing businesses. The intended use of proceeds is subject to actual circumstances and decision of the Board when concrete details of proposed uses are put forward for consideration. As at the date of this announcement, the Group has not identified any specific potential targets for investment and has not entered into any agreement in relation to any potential new projects.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal exceed 25% but are below 75%, the Disposal constitutes a major transaction of the Company and is subject to the reporting, announcement and Shareholders’ approval requirements under Chapter 14 of the Listing Rules.

GENERAL

Pursuant to Rule 14.60(7) of the Listing Rules, the Company is required to despatch to the Shareholders a circular in relation to the Disposal and other information required under the Listing Rules within 15 business days after the publication of this announcement, that is, on or before 27 June 2019.

Shareholders and potential investors of the Company should note that Completion is subject to the fulfillment or waiver (as the case may be) of the conditions precedent set out in the Agreement and therefore may or may not occur. Shareholders and potential investors of the Company are reminded to exercise caution when dealing with the Shares and other securities of the Company.

DEFINITIONS

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

- “Agreement” the conditional Agreement dated 5 June 2019 entered into between the Vendor and the Purchaser in relation to the Disposal;
- “associate(s)” has the meaning ascribed thereto under the Listing Rules;
- “Board” board of Directors;
- “Business Day” a day on which the banks are open for business in Hong Kong (other than Saturday, Sunday and any day on which a tropical cyclone warning No. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon);
- “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” completion of the sale and purchase of the Mobile Game Apps in accordance with the terms and conditions of the Agreement;
- “Completion Date” the day on which Completion shall take place (or such later date as the parties shall agree);

“connected person(s)”	has the meaning ascribed thereto under the Listing Rules;
“Consideration”	HK\$30 million being the consideration for the sale and purchase of the Mobile Game Apps;
“Delivery”	delivery of the Mobile Game Apps and/or relevant documentation by the Vendor to the Purchaser;
“Delivery Date”	the day on which Delivery shall take place;
“Director(s)”	director(s) of the Company;
“Disposal”	the disposal of the Mobile Game Apps by the Vendor to the Purchaser pursuant to the Agreement;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Parties”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the Listing Rules;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Long Stop Date”	31 August 2019;
“Mobile Game Apps”	30 offline mobile game apps’ source codes which cover the areas including but not limited to (i) leisure and entertainment; (ii) education and intellectual; (iii) sport; and (iv) adventures;
“Purchaser”	Galaxy World Co., Ltd., a company incorporated in the Kingdom of Cambodia;
“Share(s)”	ordinary share(s) in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Vendor”	Digital Zone Global Limited, a company incorporated in the British Virgin Islands which is a wholly-owned subsidiary of the Company;

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong;

“%” per cent.

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

Hong Kong, 5 June 2019

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.