THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Amax International Holdings Limited (the ''**Company**''), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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 ACQUISITION OF 100% EQUITY INTERESTS IN EXPLICITLY GRAND INVESTMENTS LIMITED INVOLVING (1) ISSUE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE (2) ISSUE OF PROMISSORY NOTES AND (3) NOTICE OF SPECIAL GENERAL MEETING

Financial adviser to the Company

Orient Victory Azure Capital Limited

A letter from the Board of the Company is set out on pages 5 to 25 of this circular.

A notice convening the special general meeting of the Company to be held at United Conference Centre, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong on 15 September 2017 at 3 p.m. is set out on pages SGM-1 to SGM-3 of this circular. A form of proxy for use at the special general meeting is enclosed with this circular. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited at www.hkex.com.hk.

Whether or not you are able to attend the special general meeting, you are requested to complete the accompanying form of proxy, in accordance with the instructions printed thereon and deposit the same at the Hong Kong branch share registrar of the Company, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the special general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the special general meeting or any adjournment thereof should you so wish.

30 August 2017

CONTENTS

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

"2018 Guaranteed Profit"	net profit of not less than HK$4.91 million for the year ending 31 March 2018;
"2019 Guaranteed Performance"	the aggregate value of the legally-binding contracts of not less than HK$6 million entered into during the period 1 April 2018 to 31 March 2019;
"Acquisition"	the proposed acquisition of the Target Company from the Vendors by the Purchaser pursuant to the Sale and Purchase Agreement;
"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 Target Company in accordance with the terms and conditions of the Sale and Purchase Agreement;
"Completion Date"	the third business day after all the conditions precedent are fulfilled (or otherwise waived by the Purchaser) or such other date as the Vendors and Purchaser may agree;
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules;

"Consideration"	HK$63,500,000, being the consideration for the sale and purchase of the Target Company;
"Consideration Shares"	an aggregate of 150,000,000 new Shares to be allotted and issued by the Company to the Vendors (or their respective nominee) in proportion to their respective interest in the Sales Shares upon Completion;
"Director(s)"	director(s) of the Company;
"Gorgeous Smart"	Gorgeous Smart Global Investment Limited, a company incorporated in the British Virgin Islands with limited liability and is wholly-owned by Mr. Wong;
"Group"	the Company and its subsidiaries;
"Guarantees"	2018 Guaranteed Profit and 2019 Guaranteed Performance;
"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;
"Independent Valuer"	International Valuation Limited;
"Inno Motion"	Inno Motion Limited, a company incorporated in Hong Kong with limited liability;
"Latest Practicable Date"	25 August 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular;
"Listing Committee"	the listing committee of the Stock Exchange;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;

"Long Stop Date"	the day falling three months after (and exclusive of) the date of the Sales and Purchase Agreement or such later date as the Vendors, the Purchaser and the Target Company may agree in writing;
"MostCore"	MostCore Limited (最核心有限公司), a company incorporated in Hong Kong with limited liability;
"Mr. Wong"	Mr. Wong Kam Wah;
"Ms. Cheng"	Ms. Cheng Wai Man;
"New Sphere"	New Sphere Enterprise Inc., a company incorporated in the British Virgin Islands with limited liability and is wholly-owned by Ms. Cheng;
"PRC"	the People's Republic of China which, for the purposes of this circular, excludes Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan;
"Promissory Notes"	the 24-months zero-coupon promissory notes in the aggregate principal amount of HK$14,000,000 to be issued by the Company to the Vendors (or their respective nominee) in proportion to their respective interest in the Sales Shares in satisfaction of part of the Consideration;
"Purchaser"	Digital Zone Global Limited, a company incorporated in the British Virgin Islands with limited liability and is a wholly-owned subsidiary of the Company;
"Register"	the register of members of the Company maintained in Hong Kong;
"Sale and Purchase Agreement"	the conditional sale and purchase agreement dated 18 July 2017 entered into between the Vendors, the Purchaser and the Target Company in relation to the Acquisition (as amended and supplemented by the Supplemental Agreement);
"Sale Shares"	an aggregate of 50,000 issued shares in the issued share capital of the Target Company legally and beneficially owned by the Vendors, representing 100% of the issued share capital of the Target Company as at the Completion Date;

"SGM"	the special general meeting of the Company to be held on 15 September 2017 at 3 p.m. for the purpose of approving, among others, the Sale and Purchase Agreement and the transactions contemplated thereunder (including the grant of Specific Mandate for the allotment and issue of the Consideration Shares);
"Share(s)"	ordinary share(s) in the share capital of the Company;
"Shareholder(s)"	holder(s) of the Share(s);
"Specific Mandate"	the ordinary resolution to approve the allotment and issue of the Consideration Shares;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Supplemental Agreement"	the supplemental agreement to the Sale and Purchase Agreement dated 15 August 2017 entered into among the Vendors, the Purchaser and the Target Company;
"Target Company"	Explicitly Grand Investments Limited, a company incorporated in the British Virgin Islands with limited liability and is owned as to 50% by Mr. Wong and 50% by Ms. Cheng;
"Target Group"	the Target Company, MostCore and Inno Motion;
"Vendors"	Gorgeous Smart and New Sphere;
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong;
"%"	per cent.

In the event of any inconsistency, the English text of this circular shall prevail over the Chinese text.

AMAX INTERNATIONAL HOLDINGS LIMITED
奧瑪仕國際控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 959)

Board of Directors:
Executive Directors:
Mr. Ng Man Sun
(Chairman and Chief Executive Officer)
Ms. Ng Wai Yee

Independent Non-executive Directors:
Ms. Yeung Pui Han, Regina
Mr. Li Chi Fai
Ms. Sie Nien Che, Celia

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head office and principal place of business in Hong Kong:
Units 5106–07,
51/F, The Center,
99 Queen's Road Central,
Central, Hong Kong

30 August 2017

Dear Shareholder(s),

DISCLOSEABLE TRANSACTION IN RESPECT OF ACQUISITION OF 100% EQUITY INTERESTS IN EXPLICITLY GRAND INVESTMENTS LIMITED INVOLVING (1) ISSUE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE (2) ISSUE OF PROMISSORY NOTES AND (3) NOTICE OF SPECIAL GENERAL MEETING

INTRODUCTION

The purpose of this circular is to provide you with further information relating to the (i) Acquisition; (ii) issue of Consideration Shares under Specific Mandate and issue of Promissory Notes; and (iii) the notice of SGM to be convened and held for the purpose of considering and, if thought fit, approving the issuance of Consideration Shares under the Specific Mandate.

THE SALE AND PURCHASE AGREEMENT

Principal terms of the Sale and Purchase Agreement are set out as follows:

Date

18 July 2017 (after trading hours of the Stock Exchange)

Parties

(i) The Vendors;

(ii) The Purchaser; and

(iii) The Target Company

The Vendors, the Purchaser and the Target Company shall collectively be referred to as "Parties" and "Party" means any one of them.

As at the date of the Sale and Purchase Agreement, the Target Company is owned as to 50% by Gorgeous Smart and 50% by New Sphere. Gorgeous Smart is wholly-owned by Mr. Wong and New Sphere is wholly-owned by Ms. Cheng. Mr. Wong and Ms. Cheng are independent from each other. To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, each of Gorgeous Smart, New Sphere, Mr. Wong, Ms. Cheng are Independent Third Parties.

Upon Completion, each of Gorgeous Smart and New Sphere will be interested in 75,000,000 Shares, representing approximately 9.75% of the total issued share capital of the Company as enlarged by the Consideration Shares. As such, none of the Vendors will become a substantial Shareholder after Completion.

Assets to be acquired

Pursuant to the Sale and Purchase Agreement, the Purchaser has conditionally agreed to purchase and the Vendors have conditionally agreed to sell 100% of the issue share capital of the Target Company which is legally and beneficially owned by the Vendors. Upon Completion of the Acquisition, the Target Company will become an indirect wholly-owned subsidiary of the Company.

MostCore is a company incorporated in Hong Kong with limited liability and is wholly-owned by the Target Company. The principal activities of MostCore include the development of innovative intellectual properties and technological solutions, mobile apps development and the provision of IT solutions to clients and mobile users across the globe.

Inno Motion is a company incorporated in Hong Kong with limited liability and is wholly owned by MostCore. As at the date of the Sale and Purchase Agreement, Inno Motion did not have any material assets or liabilities and has not commenced any business operation.

For further information of the Target Group, please refer to paragraph headed "Information of the Target Group" below.

Consideration

The total consideration is HK$63,500,000, which shall be satisfied by the Purchaser procuring the Company to (i) as to HK$49,500,000 by the allotment and issue of the Consideration Shares at the issue price of HK$0.330 per Consideration Share to the Vendors (or their respective nominee) in proportion to their respective interest in the Sales Shares upon Completion; and (ii) as to HK$14,000,000 by the issue of the Promissory Notes to the Vendors (or their respective nominee) in proportion to their respective interest in the Sales Shares upon Completion.

Basis of the Consideration

The Consideration was arrived at after arm's length negotiations between the parties to the Sale and Purchase Agreement after taking into account, among others, (i) the growing popularity of virtual reality ("**VR**") and augmented reality ("**AR**"); (ii) the future business prospects of mobile and digital industries; and (iii) the valuation (the "**Valuation**") of the Target Group of HK$64,400,000 as at 30 April 2017 prepared by the Independent Valuer adopting market approach.

According to the management accounts of the Target Group for the three months ended 30 June 2017, the Target Group recorded (i) revenue of approximately HK$2.3 million; and (ii) net profit after taxation of approximately HK$1.5 million. Upon enquiry, the Company was given to understand that the business operation of the Target Group is asset-light which is mainly driven by innovative ideas and ample client networks from the key personnel and technical know-how to realize such ideas. Major cost of the Target Group include staff salary and rental expenses. For the past two years, the Target Group was at the early stage of development to formulate business strategy and identify target customers. Majority of the expenses was incurred to (i) research and analyses on the trend of the mobile apps industry; (ii) develop demos of mobile applications; and (iii) marketing expenses to promote Mostcore into the industry. Upon numerous negotiations and communications with potential clients, testing and modification of IT resolutions to potential clients, the Target Group started to successfully obtained contracts from certain targeted clients including certain famous clients such as SHK Properties, Maxim's Group and Haier Electronics.

Since July 2016 up to and including the Latest Practicable Date, the Target Group has entered into (i) 10 service contracts with 9 customers (the "**Secured Engagements**") with a total contact sum of over HK$7 million; and (ii) 2 letters of intent with 2 potential customers with potential contract sum of HK$1.6 million. Among the Secured Engagements, (i) 7 of which had been completed as at the Latest Practicable Date with recognized revenue of approximately HK$2.2 million; and (ii) 3 of which are under development and progress revenue of approximately HK$1.10 million was recognized as at the Latest Practicable. Outstanding contract sum to be completed amounted to over HK$4 million.

As a result of the continuous effort of the Target Group, Mostcore has in July 2017, successfully secured new engagement from one of the existing customer which is a group member of a Hong Kong blue chip listed property developer (the "**Recurring Client**"). Upon further discussion, the Recurring Client has briefed the Target Group on their upcoming plans on a sizable real estate animation project in the PRC and has expressed their willingness to keep long-term business relationship with Mostcore.

Save as the above-mentioned, as at the Latest Practicable Date, the Target Group is currently in the process of pitching with 6 potential customers on 6 possible projects (including the 2 letters of intent), some of the potential customers were referred by the Target Group's existing customers.

To further explore new source of clients apart from solely dependent on network resources from Mr. Wong and Mr. Hui, Mostcore has been participating in various technology expos organized by HKTDC since March 2017. Mostcore has also created website and face book web page to further expose itself to public in order to capture more client resources from public.

Upon further negotiations between the Group and the Vendors after the entering into of the Sale and Purchase Agreement, the Vendors are willing to provide (i) the 2018 Guaranteed Profit; and (ii) the 2019 Guaranteed Performance, which is not a mandatory term for the acquisition transaction nor a term the parties took into account when entering into the Sale and Purchase Agreement and is the best possible term the Vendors are willing to offer to the Company without the Company incurring any extra costs. As the Company is not required to incur any extra costs in view of the Guarantees, such as adjustments to the Consideration and payment terms in favour of the Vendors, the Company accepted the offer of the Guarantees from the Vendors and entered into the Supplemental Agreement.

Guarantees undertaken by the Vendors

Net Profit Guarantee

Pursuant to the Supplemental Agreement the Vendors undertakes and guarantees to the Company that the net profit after taxation of the Target Group and excluding extra-ordinary items, one-off item, any amounts received or written back for debt or any other provisions for the year ending 31 March 2018 (the "**FY2018 Net Profit**") will be no less than HK$4.91 million in accordance with generally accepted according principles in Hong Kong. In the event that the 2018 Guaranteed Profit less than HK$4.91 million, the Vendors shall indemnify to the Purchaser a compensation amount (the "**2018 Compensation Amount**") to the Company, which shall be calculated in the following manner:

Z = (A-B)/A x HK$14,500,000

Z = the 2018 Compensation Amount;

A = HK$4.91 million; and

B = FY2018 Net Profit.

For the avoidance of doubt, if the Target Company records consolidated net loss, the 2018 Guaranteed Profit shall be deemed to be zero (0).

The 2018 Compensation Amount shall be settled in cash and shall be compensated by each of the Vendors as to 50% by Gorgeous Smart and 50% by New Sphere within six months after the issuance of the audited financial statement of the Target Group for the year ending 31 March 2018.

The 2018 Guaranteed Profit shall be determined according to the audited consolidated financial statements of the Target Group audited by the Company's auditor within two (2) months after the guaranteed period or any other date as mutually agreed.

Performance Guarantee

Pursuant to the Supplemental Agreement the Vendors undertakes and guarantees to the Company that the aggregate value of the legally-binding contracts the Target Group entered into during the period from 1 April 2018 to 31 March 2019 will not be less than HK$6 million which shall be verified by the Company's legal advisor. In the event that the aggregate value of the contracts the Target Group entered into during the period from 1 April 2018 to 31 March 2019 is less than HK$6 million, the Vendors shall indemnify a compensation amount (the "**2019 Compensation Amount**") to the Purchaser, which shall be calculated in the following manner:

Z = (A-B)/A x HK$6,000,000

Z = the 2019 Compensation Amount;

A = HK$6million; and

B = value of the contracts the Target Group entered into during the period from 1 April 2018 to 31 March 2019.

The 2019 Compensation Amount shall be settled in cash and shall be compensated by each of the Vendors as to 50% by Gorgeous Smart and 50% by New Sphere within six months after the issuance of the audited financial statement of the Target Group for the year ending 31 March 2019.

The Directors consider that given that (i) the terms of the original Sale and Purchase Agreement (including the Consideration) were fair and reasonable even without the Guarantees; (ii) the Guarantees serves as an additional benefit of the Acquisition to the Company without the Company incurring any extra costs; (iii) the Group would be able to secure compensation from the Vendors if the Guarantee(s) cannot be met; (iv) the performance guarantee for the financial year 2019 is more reasonable, since the Company will nominate candidate to manage the operation and business of the Target Company which will incur additional costs; (v) while the Company expects the Target Group will not only be serving as a future revenue drivers, but also as cost saving and innovation drivers to the Group existing business which will occupy certain existing man power of the Target Group; and (vi) the Guarantees demonstrated the Vendors confidence on the prospects of the Target Group. Therefore, the Guarantees is in the interest of the Company and the Shareholders as a whole even though the compensation mechanism under the Guarantees is not based on the price to earnings ratio derived from the Consideration.

The Company will by way of formal announcement and in the upcoming annual reports updates the Shareholders and potential investors (i) whether the 2018 Guaranteed Profit and the 2019 Guaranteed Performance has been met; (ii) the business performance of the Target Group; and (iii) where either the 2018 Guaranteed Profit and/or the 2019 Guaranteed Performance are not met, how the Company would enforce the obligations of the Vendors under the Sale and Purchase Agreement (as supplemented by the Supplemental Agreement).

Given (i) net profit after taxation of approximately HK$1.5 million for the three months ended 30 June 2017; (ii) 2018 Guaranteed Profit provided by the Vendors; (iii) undertakings given by each of Mr. Wong and Mr. Hui to stay with the Target Group; (iv) the asset-light business model to maintain high profit margins; (v) current contracts and MOUs on hand; and (vi) effort by Mostcore to further promote itself to diversify its clients network, the Board is of the view that it is justifiable for Mostcore to achieve a profit of HK$4.91 million for the year ending 31 March 2018 in this regards. Furthermore, in light of (i) the successful retention of existing customers of the Target Group; (ii) potential projects under pitching; (iii) increasing trend of income from Mostcore's online applications; and (iv) 2019 Guaranteed Performance provided by the Vendors, the Board is confident that the level of business of the Target Group, in terms of number of customers and number of projects, for the year ending 31 March 2019 could at least maintain the same level as currently did.

The management of the Company understands that the Independent Valuer has considered but did not adopt other valuation methods such as discounted cash flow method and asset-based method. As revenue derived from the Target Group is in general on project basis and non-recurring in nature, adopting discounted cash flow method is subject to limitation on the application of assumptions, cash flow projection and discount rate; while the value of the Target Group is not heavily asset-based and its operation has been generating positive earnings, hence asset-based valuation approach is not appropriate. On the other hand, given (i) the Target Group has secured several legal binding contracts with a total contract sum of over HK$7 million with customers; (ii) the Vendors have provided the 2018 Guaranteed Profit; (iii) the Target Group recorded profit after taxation of approximately HK$1.5 million for the three months ended 30 June 2017; (iv) the Board considered that it is justifiable for Mostcore to achieve a profit of HK$4.91 million for the year ending 31 March 2018 as discussed above; and (v) the Independent Valuer had adopted a 25% lack of marketability discount with reasonable basis as disclosed below to accounted for the fact that the Target Group are private companies, the Board is of the view that conducting valuation by referencing to the price-earnings multiples of the comparables as a whole would provide a general reference to the valuation multiples of listed companies in similar business, and thus the management considered that to be fair and reasonable reference in this regard.

After discussed with the Independent Valuer, the Board was given to understand that the reason of Hong Kong public companies being selected as comparables is mainly due to (i) the location of principal business of the Target Group; and (ii) the location of stock exchange on which the acquirer is listed. First and foremost, the Target Group's location of business is Hong Kong and so does the comparable companies; secondly since the Company is listed in Hong Kong, it should exhibit similar investing preference or sharing the same investment habitat which could be reflected in their respective P/E multiples; as such the multiple of public companies listed on the Stock Exchange would be a relatively preferable proxy for this pricing exercise.

The selection criteria of comparable companies, as such, would be to firstly locate all stocks listed on the Stock Exchange and to locate the industry sector i.e. Application software sector (the "**Application Software Sector**") which matches with the Target Group's business sector and since slight differences would be exhibited among companies in the same sector, there would be a further screening according to the business nature of various business lines of the Target Group. The selected data would inevitably tend to relatively "large-sized" companies since those large-sized players worth market's attention and are closely monitored by equity analysts, therefore forecasted earnings could be available. The Board concurs with the Independent Valuer that if taking out the extreme comparable due to its distortion for this analysis of hypothesis and for this purpose only, the hypothesis that there would be a relationship between market capitalization and P/E value is even more unestablished. In terms of data and its statistics of the final data set, the range of forward P/E in the Application Software Sector has a minimum of 11 and maximum of 39.7, the mean is 22.04 while the median is 17.5. If taken out the extreme's data which has the largest market capitalization, the median P/E would be 17 and the difference might probably be immaterial in most cases. Furthermore, the resulting forward P/E, i.e. 17.5 is in effective lying between the first quartile (14.758) and its mean (22.04). After deducting the 25% Discount of Lack of Marketability (DLOM), the final P/E is indeed lower than the 1st quartile of the data in concern of the public companies. Therefore, the Board is of the view that it is justifiable to use comparable which are substantially larger than the Target Group.

In determining the marketability discount, the Board acknowledged that the details of DLOM were based on data in the past across a vast variety of institutional investors studied by the Independent Valuer, as follows:

Study on DLOM	**Transactions Observed**	**Median**	**Mean**
SEC Institutional Investors	398	24%	26%
Gelman	89	33%	33%
Moroney	146	34%	35%
Maher	34	33%	35%
Trout	60	N.A.	34%
Williamette Management	33	31%	N.A.
Stryker/Pittock	28	45%	N.A.
Silber	69	N.A.	34%
Hall & Polacek	100	N.A.	23%
Hohnson	72	N.A.	20%
CFIA (1)	23	14%	21%
CFIA (2)	15	9%	13%
Management Planning (1)	53	25%	27%
Management Planning (2)	27	9%	12%
FMV Opinions	243	20%	22%
Average		**25.2%**	**25.8%**
Concluded DLOM		**25%**	

Based on the above table, the Board are of the view that the DLOM 25% is justifiable.

Further details of the Valuation are set out in the Appendix I — Valuation.

Based on the aforesaid, the Directors consider that the Consideration is fair and reasonable and on normal commercial terms and that the entering into the Sale and Purchase Agreement is in the interests of the Company and the Shareholders as a whole.

Consideration Shares

Pursuant to the Sale and Purchase Agreement, the Consideration shall be satisfied partly as to HK$49,500,000 by the allotment and issue of the Consideration Shares at the issue price of HK$0.330 per Consideration Share by the Company to the Vendors (or their respective nominee) in proportion to their respective interest in the Sales Shares upon Completion.

The issue price of HK$0.330 per Consideration Share represents:

(i) a discount of approximately 22.35% to the closing price of HK$0.425 per Share as quoted on the Stock Exchange on 18 July 2017, being the date of the Sale and Purchase Agreement;

(ii) a discount of approximately 22.35%to the average of the closing prices of HK$0.425 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Sale and Purchase Agreement;

(iii) a discount of approximately 21.43% to the average closing price of HK$0.420 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the date of the Sale and Purchase Agreement; and

(iv) a discount of approximately 26.67% over the closing price of HK$0.450 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

Although the issue price of the Consideration Shares was at a substantial discount to the closing price of the Share as at the Latest Practicable Date, the Directors noticed that the discount was resulted from the upward movement trend of the recent market price of the Shares following the publication of the announcement of the Company dated 18 July 2017 in relation to, among other things, the Acquisition. The Directors consider that the current market price reflects the positive market response over the Acquisition.

The issue price of HK$0.330 per Consideration Share was arrived at after arm's length negotiation between the parties with reference to (i) the downward trading price trend of the Shares since January 2017; and (ii) the relatively thin trading volume in the two months before signing of the Sale and Purchase Agreement. The Directors consider that the issue price is fair and reasonable. The nominal value of the Consideration Shares is HK$30,000,000.

The Consideration Shares, when issued, would represent approximately 24.21% of the existing issued share capital of the Company as at the Latest Practicable Date and approximately 19.49% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares (assuming that there is no other change in the issued share capital of the Company other than the issue of the Consideration Shares since the Latest Practicable Date up to the Completion Date).

Ranking of the Consideration Shares

The Consideration Shares, when allotted and issued, will rank pari passu in all respect with the existing Shares in issue.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in the Consideration Shares on the Stock Exchange.

Promissory Notes

Pursuant to the Sale and Purchase Agreement, the Company will issue to the Vendors (or their respective nominee) the Promissory Notes in proportion to their respective interest in the Sale Shares HK$14,000,000 upon Completion. The principal terms of the Promissory Notes are summarised as follows:

Issuer	:	the Company
Note holder	:	Vendors (or their nominee)
Principal Amount	:	an aggregate of HK$14,000,000
Interest	:	Nil
Maturity date	:	the date immediately following 24 months after the date of issue of the Promissory Notes
Assignment	:	the Promissory Notes shall be transferrable to any party other than a connected person of the Company
Early redemption	:	the Company may by giving of not less than seven Business Days' prior notice in writing to the Noteholder redeem the whole or any part of the Promissory Notes (in amounts of not less than HK$250,000 or such other amounts agreed between the parties)

Conditions precedent

Completion shall be subject to and conditional upon the fulfillment of the following conditions:

(a) the legal and financial due diligence, including but not limited to the affairs, business, assets, liabilities, operations, records, financial position, value of assets, accounts, results, legal and financial structure, of the Target Group being completed to the satisfaction of the Purchaser in its sole discretion and that there is no matter arising from the due diligence review which in the opinion of the Purchaser may adversely affect the value of the Sale Shares;

(b) the business valuation on the Target Group conducted by an independent professional valuer appointed and engaged by the Purchaser confirms that the market value of Target Group is not less than HK$64,400,000;

(c) the Vendors having provided the management accounts of the Target Group from the respective dates of incorporation of each group company up to 30 April 2017 to the Purchaser;

(d) the shareholder loan due to Gorgeous Smart from the Target Company has been fully settled or waived;

(e) the warranties made by the Vendors in the Sale and Purchase Agreement remain true, accurate and not misleading in all material respects;

(f) the Company having obtained the approval of the Shareholders for granting the specific mandate to the Directors for issuance of the Consideration Shares;

(g) the Listing Committee having granted the listing of, and permission to deal in, the Consideration Shares;

(h) if required under the Listing Rules, the Shareholders approved the Acquisition, the Sale and Purchase Agreement and the transactions contemplated hereby;

(i) the compliance of any other requirements under the Listing Rules or otherwise of the Stock Exchange or the Securities and Futures Commission or other regulatory authorities or any applicable laws and regulations which requires compliance in relation to the transactions contemplated under the Sale and Purchase Agreement;

(j) all necessary waivers, consents and approvals required to be obtained from relevant governmental authority or any other third parties on the part of the Vendors and members of Target Group in respect of the Sale and Purchase Agreement and the transaction contemplated thereby having been obtained;

(k) no governmental authority shall have enacted, issued, promulgated, enforced or entered any law or governmental order that has the effect of making sale of the Sale Shares illegal or unenforceable or otherwise restraining or prohibiting any of the transactions contemplated hereby; and

(l) the key personnels of the Target Group, Mr. Hui Chi Tat and Mr. Wong Kam Wah having entered into respective management undertakings pursuant to which, among others, each of Mr. Hui Chi Tat and Mr. Wong Kam Wah shall irrevocably undertake to be an employee of the relevant member of the Target Group for a minimum of five years after Completion and that each of them shall not participate whether directly or indirectly, in any business or activities which will or may compete with the business of the Target Group during the six-month period upon their respective ceasing to be an employee of the relevant member of the Target Group.

As at the Latest Practicable Date, conditions (a), (b), (c) and (e) had been fulfilled. It is expected that all other conditions could be fulfilled in September 2017 and it is anticipated that Completion shall take place on or before 30 September 2017.

The Vendors shall use their best endeavours to render all assistance to the Purchaser and to procure the fulfillment of the conditions set out in condition precedent (a), (c), (e) and (l) above on or before the Long Stop Date. The Purchaser shall use its best endeavours to procure the fulfillment of the conditions set out in condition precedent (h) to (j) on or before the Long Stop Date. None of the above-mentioned conditions precedent could be waived.

In regarding conditions (l), the business performance of the Target Group is highly dependent on the leadership of and ample resources, skills and networks from Mr. Wong and Mr. Hui. As such, the breaching of undertakings by either of them would have significant adverse impact to the business of the Target Group. Prior to the entering into of the Sale and Purchase Agreement, the Company has met with Mr. Wong, Mr. Hui to discuss about the ambition of the Company and future plan of the Target Group upon Completion. Both the Company and each of Mr. Wong and Mr. Hui found interested in the future ambition with the Company and indicated their intention to remain with the Target Company. For protection of the Group against the risk of loss of key personnels, as embedded in the management undertaking to be entered by each of Mr. Wong and Mr. Hui with the Group upon Completion as one of the conditions of the Sale and Purchase Agreement, each of Mr. Wong and Mr. Hui needs to undertake to the Purchaser that the breach of such undertaking by either of Mr. Wong and Mr. Hui would trigger a penalty of HK$5,000,000 each (i.e. a total of HK$10,000,000) which will be compensated by the breaching party in proportion to the remaining term (rounded up to the nearest month) of the 5-year employment contract to the whole term of such contract. Such compensation if materialized, will be compensated by the breaching party to the Purchaser in cash. On the other hand, to encourage and provide incentive for Mr. Wong and Mr. Hui to work with the Company in the long run, the remuneration package of each of Mr. Wong and Mr. Hui comprises (i) basic salary; (ii) profit-linked bonus; (iii) benefits in kind; and (iv) discretionary share-based compensation subject to future performance of the Target Group.

In addition, the Company will nominate person(s) to be member(s) of the board of directors of the Target Company. The Company will also identify suitable candidate with the relevant management expertise to manage with Mr. Wong and Mr. Hui, the operation and business of the Target Company in the future through different channels for specific position of the Target Company if it is needed.

If any of the conditions precedent has not been fulfilled (except the condition(s) precedent which has/have been waived by the Purchaser) by the Long Stop Date, the Sale and Purchase Agreement shall lapse and terminated forthwith and no Party shall have any other claim against the other Parties except in respect of any antecedent breach and the costs and expenses which shall be borne by the Parties pursuant to the Sale and Purchase Agreement.

Completion

Completion shall take place on or before the third (3rd) Business Day (or such other date as the parties to the Sale and Purchase Agreement may mutually agree in writing on which Completion is to take place) upon fulfillment of all conditions precedent in the Sale and Purchase Agreement.

Upon Completion, each of Gorgeous Smart and New Sphere will be interested in 75,000,000 Shares, representing approximately 9.75% of the total issued share capital of the Company as enlarged by the Consideration Shares. As such, none of the Vendors will become a substantial Shareholder after Completion.

Upon Completion, the Company nor the Target Group has intention or plan to launch any VR/AR casino games through any land-based casino or online casino.

Information of the Group

The principal activities of the Group are running the VIP gaming tables related operation and slot machines related operation, and operating the gaming business in Vanuatu.

Information of the Target Group

The principal activities of the Target Group include the development of innovative intellectual properties and technological solutions, mobile apps development and the provision of IT solutions to clients and mobile users across the globe. The Target Group spans its services to corporate clients such as (i) AR mobile apps; (ii) VR entertainment platforms; (iii) AR/VR Apps for education, training and e-learning; and (iv) character design, 3D modelling and animations.

The Target Group has served challenging technology projects for various industries globally including real estate companies, retails, food and beverage, electronics, manufacturing and entertainment, which ranged from large-scale international enterprises to small and medium enterprises – including SHK Properties, Maxim's Group, and Haier Electronics. Recent projects successfully implemented by the Target Group includes (i) an AR game and apps development for a 340,000 square meters theme park for SHK Properties in Guangzhou, PRC; (ii) a 3D remodeling hardware platform for a PRC household merchandising corporation; and (iii) development of VR entertainment platforms that brings users visualizing first view mode to casino experience.

The management team of the Target Group includes top-tier experienced IT practitioners and investment bankers and have served in global semiconductor chips and platforms, leading networking and wireless and mobile security enterprises, leading global investment banks and has accumulated over 20 years of experience in IT, wireless and AR/VR technology and related intellectual properties which has enables the Target Group to build up its reputation throughout years of delivering the best products and solutions in the industry and have received well-recognised results from clients and media. The CEO, Mr. Hui Chi Tat, who has developed high-end trading system for Deutsche Bank and UBS, is now in-charge-of MostCore's operation and innovation. The major shareholder of MostCore, Mr. Wong, who has expertise in corporate finance industry as well as keen insight towards the ever changing IT industry, is now in-charge-of MostCore's overall business formulation and client exploration.

Financial information of the Target Group

Set out below is the summary of the key financial data of the Target Group based on the unaudited consolidated financial statements of the Target Group for the financial years ended 31 March 2016 and 31 March 2017 and for the three months ended 30 June 2017 which were prepared in accordance with the generally accepted accounting principles in Hong Kong as provided by the Vendors:

HK$'000	**For the year ended 31 March 2016 (unaudited)**	**For the year ended 31 March 2017 (unaudited)**	**For the three months ended 30 June 2017 (unaudited)**
Revenues	53.5	1,405.6	2,246.5
Net (loss)/profit before taxation	(1,132.6)	(66.7)	1,785.5
Net (loss)/profit after taxation	(1,132.6)	(66.7)	1,490.9

As at 30 June 2017, unaudited consolidated net liabilities of the Target Company was approximately HK$569,000.

As at the Latest Practicable Date, the Target Group has 12 staff. As advised by the management of the Target Group, the revenues and client orders are experiencing high growth in the recent year as the VR/AR technology and related applications are growing rapidly as indicated by a number of third-party market research institutions, revenues of the Target Group has jumped enormously from approximately HK$53,500 for the year ended 31 March 2016 to approximately HK$1.41 million for the year ended 31 March 2017. Since July 2016 up to and including the Latest Practicable Date, the Target Group has entered into (i)10 service contracts with 9 customers (the "**Secured Engagements**") with total contact sum of over HK$7 million; and (ii) 2 letters of intent with 2 potential customers with potential contract sum of HK$1.6 million. Among the Secured Engagements, (i) 7 of which had been completed as at the Latest Practicable Date with recognized revenue of approximately HK$2.2 million; and (ii) 3 of which are under development and progress revenue of approximately HK$1.10 million was recognized as at the Latest Practicable Date. Outstanding contract sum to be completed amounted to over HK$4 million.

As at 30 June 2017, the liabilities of the Target Group mainly consist of an unsecured, interest free shareholder's loan due to Gorgeous Smart by the Target Company of approximately HK$3.26 million. As one of the conditions precedent of the Sale and Purchase Agreement, the shareholder loan due to Gorgeous Smart from the Target Company must be fully settled or waived. As at the Latest Practicable Date, unsettled shareholder loan due to Gorgeous Smart by the Target Group amounted to approximately HK$3.26 million and total assets of the Target Group as at 30 June 2017 amounted to approximately HK$2.84 million comprising (i) cash and bank balance of approximately HK$0.44 million; and (ii) trade receivable of approximately HK$2.40 million, which is expected that majority of which will be received in September 2017. As advised by the management of the Target Group, the unsettled shareholder loan will be settled by the Target Group from its internal resources. Base on the expected Completion Date to be on or before 30 September 2017, any unsettled shareholder loan at that date will be waived by Gorgeous Smart in accordance with the terms and conditions of the Sale and Purchase Agreement. The Board considers the current net liabilities position of the Target Group will not have significant impact to the Company upon Completion.

Reasons for and benefits of the Acquisition

The Group is principally engaged in investment holdings and investments in high-end niche gaming and entertainment related businesses. The Directors have been continuously evaluating the current business strategies of the Group with an aim to achieve the best use of its resources and improve its overall performance and diversify investment.

Given the rapid growing of the entertainment and global mobile gaming market, the Board sees huge potential on both businesses, especially the VR/AR segment.

According to MarketsandMarkets, a market research firm worldwide, the virtual reality market is expected to grow from USD1.37 Billion in 2015 to USD33.90 Billion by 2022, at a compound annual growth rate of 57.8% between 2016 and 2022. The increasing use of head-mounted displays (HMDs) in the entertainment and gaming sector, declining prices of displays and other hardware components of HMDs, and use of VR for training and simulation in the defense sector are the major factors driving the virtual reality market. The virtual reality market for software components is expected to grow at the highest rate and dominate the virtual reality market between 2016 and 2022, owing to the increasing adoption of VR software platforms and applications across the globe. The increased use of mobile VR would help drive the growth of the VR market for software components. Also, MarketsandMarkets estimated that the global augmented reality market to reach USD117.40 Billion by 2022, at a compound annual growth rate of 75.72% between 2016 and 2022. The AR market would increase dynamically in the near future owing to the high penetration of HMDs in the market.

One of the recent success of AR, namely Pokemon Go. According to techcrunch.com, Nintendo Co. Ltd. only takes a fraction of the revenue from Pokémon Go, the smash hit game of 2016, but its popularity has certainly boosted its own Pokémon games as evidenced by the company's latest financial report. Nintendo reported a 64.7 billion Japanese yen (US$569 million) profit on revenue of 174.3 billion Japanese yen (US$1.5 billion).

Based on the information provided by the Vendors, the Target Group has specialised in the AR/VR entertainment developments and apps on mobile devices platforms and also provides customised IT and design solutions for its customers which include real estate companies, retails, food and beverage, electronics, manufacturing and entertainment and theme parks in PRC. The Directors believes that the Acquisition would enable the Group to equip with the latest AR/VR technologies and research capabilities upon Completion and in the long run, as part of its strategy to leverage on its expertise in the casino and entertainment business, to seize the opportunity to expand the Group's entertainment business in the AR/VR apps and entertainment platforms. In addition, the Acquisition enables the Company to expand its business to the simulation casino gambling with AR/VR technology. Upon Completion, the Company will be able to obtain synergy and leverage on its expertise in the gaming and entertainment-related businesses to diversify the business of the Company to capture the enormous potentials under the mobile age. Notwithstanding the Group's intention to explore the new business opportunities, the Group with continue to focus on its existing business.

Whilst the Group remains focused on developing its existing businesses, it has been the strategy of the Group to proactively seize potential investment opportunities to improve the business operation and financial position of the Group.

The Directors are of the view that the Acquisition presents an excellent opportunity for the Group to (i) tap into internet development/solution provider service sector which has high growth potential; (ii) leverage on the expertise and resources of the Target Group to broaden the Company's participation in the gaming and entertainment related businesses; and (iii) establish an all-around strategic plan for its existing gaming and entertainment related businesses.

Through the Acquisition, the Company anticipates to be able to achieve the following:

(a) with the Target Group's knowledge and experience in IT projects in various aspects, the Company will be able to enhance the existing onlince casino system adopted in the Vanuatu gaming business into a more innovative and unique system by introducing additional functions and interfaces. The Company would explore new business directions by promoting the system to other online casino operators in order to generate new stream of revenue within the gaming industry;

(b) with the Target Group's expertise and knowledge, the Group will be able to reduce the outsourced expenses on technical support on the existing online casino system adopted in the Vanuatu gaming business and the mobile games apps acquired in March 2017. In addition, the Group will be able to lower its costs for equipment and maintenance; and

(c) the Target Group has developed a prototype of AR/VR casino games for further enhancement. With full backing from the Target Group on technical support, the Company could develop into an one-stop smart gaming solutions provider to casinos and support the clients in the development of AR/VR casino games and online casino system.

Despite the limited track record of the Target Group, the Directors have balanced against the fact that:

(a) majority of the technology companies tend to incur losses during their initial stage of development before generating any profit as they focus on building up their market shares and developing new sources of revenue, as it was the case with the Target Group that majority of expenses incurred were related to research and development since commencement of operations;

(b) it is the intention of the Company to retain senior management of the Target Group to oversee the operation and management of the Target Group after the Completion;

(c) The financial performance of the Target Group has improved for the 3 months ended 30 June 2017. According to the management accounts of the Target Group for the three months ended 30 June 2017, the Target Group recorded (i) revenue of approximately HK$2.3 million; and (ii) net profit after taxation of approximately HK$1.5 million; and

(d) the provision of the Guarantees and the 5-year undertakings by the Vendors and key personnels of the Target Group showing a sign of confidence from them towards the Target Group's business prospects and the willingness to work with the Company in the long run.

In addition, the Acquisition does not require immediate material cash outlay as the Consideration is to be satisfied by the allotment and issue of the Consideration Shares and the Promissory Notes.

Based on the above factors, the Board is of the view that the terms of the Sale and Purchase Agreement are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

Valuation

According to the valuation of the Target Group performed by the Independent Valuer (the "**Valuation**"), the appraised value of the Target Group is HK$64,400,000 as at 30 April 2017, which was prepared using market approach. As the Valuation contains a profit forecast under the Listing Rules, accordingly, the requirements under Rules 14.62 of the Listing Rules are applicable.

The following are the details of the principal assumptions, including commercial assumptions, upon which the Valuation were based:

- The financial projections provided by the Target Group are reasonable, reflecting market conditions and economic fundamentals.
- The financial projections provided by the Target Group will be materialized.
- There will be sufficient supply of technical staff in the industry in which the Target Group operates.
- The Target Group will retain competent management, key personal and technical staff to support its ongoing operations and developments.
- There will be no major changes in the current taxation laws in the localities in which the Target Group operates or intends to operate and that the rates of tax payable shall remain unchanged and that all applicable laws and regulations will be complied with.
- There will be no major changes in the political, legal, economic or financial conditions in the localities in which the Target Group operates or intends to operate, which would adversely affect the revenues attributable to and the profitability of the Target Group.
- All relevant legal approvals and business certificates or licenses to operate the business localities in which the Target Group operates or intends to operate would be officially obtained, and renewed upon expiry.

The Company's auditors, Elite Partners CPA Limited ("**Elite Partners**"), has examined and reported on the calculations of the profit forecast for the year ending 31 March 2018 on which the Valuation were based.

Orient Victory Azure Capital Limited, the financial adviser to the Company, has reviewed the profit forecast of the Target Group and has discussed with the management of the Company the principal assumptions upon which the profit forecast were based. Orient Victory Azure Capital Limited has also considered the above report from Elite Partners regarding the calculations of the profit forecast for year ending 31 March 2018 on which the Valuation in respect of the Target Group prepared by the Independent Valuer were based. On the basis of the foregoing, Orient Victory Azure Capital Limited is of the view that the profit forecast have been made by the Directors after due and careful enquiry.

The above-mentioned report from Elite Partners and a letter from Orient Victory Azure Capital Limited regarding the profit forecast in the Valuation are set out in the appendix to this circular in compliance with Rule 14.62 of the Listing Rules. The Company has submitted the report from Elite Partners and the letter from Orient Victory Azure Capital Limited to the Stock Exchange in compliance with Rules 14.62(2) and (3) of the Listing Rules.

Experts and Consents

The qualifications of the experts who have given their statements in this circular are as follows:

Name	**Qualifications**
Elite Partners	Certified Public Accountants
International Valuation Limited	Independent Valuer
Orient Victory Azure Capital Limited	A corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities under the SFO

As at the date of this circular, each of Elite Partners, the Independent Valuer and Orient Victory Azure Capital Limited does not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate person(s) to subscribe for the securities in any member of the Group.

Each of Elite Partners, the Independent Valuer and Orient Victory Azure Capital Limited has given and has not withdrawn its consent to the publication of this circular with inclusion of its report and all references to its name in the form and context in which it respectively appears in this circular.

SPECIFIC MANDATE TO ISSUE CONSIDERATION SHARES

The Consideration Shares will be issued under the Specific Mandate to be approved by the Shareholders at the SGM. The allotment and issue of Consideration Shares shall take place upon Completion.

The Consideration Shares, when issued, will rank pari passu in all respects with the existing Shares then in issue.

An application will be made to the Stock Exchange for the listing of, and permission to deal in the Consideration Shares.

Effect on the issue of the Consideration Shares on shareholding structure

The existing and enlarged shareholding structure of the Company immediately before and after the allotment and issue of the Consideration Shares is set out below:

Shareholder	**As at the Latest Practicable Date**		**Immediately after allotment and issue of the Consideration Shares**	
	Number of Shares	*%*	*Number of Shares*	*%*
Mr. Ng Man Sun *(Note 1)*	47,660,626	7.69	47,660,626	6.19
Shen Nan (Macao) Investment Co., Ltd. *(Note 2)*	67,743,000	10.94	67,743,000	8.80
Mr. Huang Wei Qiang	70,874,000	11.44	70,874,000	9.21
Mr. Poon Wah Patrick	31,000,000	5.00	31,000,000	4.03
Gorgeous Smart *(Note 3)*	–	–	75,000,000	9.75
New Sphere	–	–	75,000,000	9.75
Public	402,252,413	64.93	402,252,413	52.27
	619,530,039	100.00	769,530,039	100.00

Notes:

1. Mr. Ng Man Sun is the substantial shareholder, chairman, chief executive officer and executive Director of the Company.

2. Ms. Xu Ting holds 76% equity interests and Mr. Huang Wei Qiang holds 24% equity interests respectively in Shen Nan (Macao) Investment Co., Ltd.

3. Gorgeous Smart is wholly-owned by Mr. Wong. Mr. Wong indirectly interested in 3% equity interest in Chanceton Capital Partners Limited ("**CCPL**") and is one of the three directors of CCPL. CCPL has previously provided financial advisory consulting services to the Company on certain transactions of the Company since 2014. Save as disclosed above, the Vendors have no any other relationship with the Company.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios for the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction of the Company and thus is subject to reporting and announcement requirement pursuant to Chapter 14 of the Listing Rules. The Company will seek approval for, among other things, the Specific Mandate from the Shareholders at the SGM.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholders or any of their respective associates have any material interest in the Acquisition and the issuance of the Consideration Shares. As such, no Shareholder is required to abstain from voting under the Listing Rules if the Company was to convene a general meeting for the approval of the Acquisition and the issuance of the Consideration Shares under the Specific Mandate.

To allow Shareholders to have sufficient information on the Acquisition to make an informed assessment, copies of the following documents are available for inspection during normal business hours at the head office and principal place of business of the Company from the date of this circular up to and including the date of the SGM:

a. the memorandum of association and Bye Laws of the Company;

b. the annual reports of the Company for the three years ended 31 March 2017;

c. audited reports of Mostcore, being the sole operating subsidiary of the Target Group for the two years ended 31 March 2016 and 31 March 2017;

d. unaudited consolidated financial statements of the Target Company for the two years ended 31 March 2016 and 31 March 2017 and for the three months ended 30 June 2017;

e. the valuation report prepared by the Independent Valuer as set out in the appendix to this circular; and

f. this circular.

SGM

The Consideration Shares will be allotted and issued under the Specific Mandate to be sought from the Shareholders at the SGM. The notice convening the SGM to be held at United Conference Centre, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong on 15 September 2017 at 3p.m. is set out on pages SGM-1 to SGM-3 of this circular. An ordinary resolution will be proposed to the Shareholders at the SGM to consider and, if thought fit, approve, among other things, the Sale and Purchase Agreement and the transactions contemplated thereunder. The votes on the resolution proposed to be approved at the SGM will be taken by poll and an announcement will be made by the Company after the SGM on the results of the SGM.

To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, no Shareholder has material interest in the Sale and Purchase Agreement and therefore, no Shareholder would be required to abstain from voting at the SGM.

CLOSURE OF THE REGISTER

In order to determine entitlement of Shareholders to the right to attend and vote at the SGM (or any adjournment thereof), the Register will be closed from Tuesday, 12 September 2017 to Friday, 15 September 2017, both dates inclusive, during which period no transfer of Shares will be effected. All transfers of Shares accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on Monday, 11 September 2017.

RESPONSIBLE STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Directors consider that the terms of the Sales and Purchase Agreement, the Acquisition, the issuance of the Consideration Shares and the relevant transactions contemplated thereunder, are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the ordinary resolutions in relation to the issuance of the Consideration Shares under the Specific Mandate, as set out in the notice of the SGM.

Yours faithfully
For and on behalf of the Board of
Amax International Holdings Limited
Ng Man Sun
Chairman and Chief Executive Officer

International Valuation Limited
國際評估有限公司

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Tel : (852) 2348 1777
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August 30, 2017

The Board of Director
AMAX International Holdings Limited
Units 5106–07, 51/F., The Center,
99 Queen's Road Central,
Central,
Hong Kong

Dear Sir,

International Valuation Limited ("**IVL**") has concluded its analysis in connection with the valuation of 100% equity interest in Explicitly Grand Investments Limited (the "**Company**") and its subsidiaries (the "**Group**") as of April 30, 2017. The purpose of this engagement was to estimate the fair value of 100% equity interest in the Company as of April 30, 2017 (the "**Valuation Date**").

Our work is designed solely to assist the management (the "**Management**") of AMAX International Holdings Limited (the "**Client**") to determine the fair value of 100% equity interest in the Company as of the Valuation Date. No other use of our valuation report is intended or should be inferred.

This report states the purpose of appraisal and scope of our works, identifies the business appraised, describes the basis and methodology of our appraisal, investigation and analysis, assumptions and limiting conditions, and presents our opinion of value.

PURPOSE OF APPRAISAL

International Valuation Limited (hereinafter referred to as "**IVL**") acknowledges that this report is being prepared solely to assist the Management to determine the fair value of 100% equity interest of the Company as of the Valuation Date. We understand that this report may be made available for public documentation purpose and will be included in a public circular.

We assumes no responsibility whatsoever to any person other than the Client in respect of, or arising out of, the contents of this report. If others chose to rely in any way on the contents of this report they do so entirely on their own risk.

DEFINITION OF VALUE

In estimating the fair value of the assets appraised under this engagement, our efforts will be based on the following description of Fair Value: "*Fair value is the amount at which an asset (or liability) could be bought (or incurred) or sold (or settled) in a current transaction between willing parties, that is, other than in a forced or liquidation sale.*" Unless otherwise noted, in estimating the fair value of the subject assets, we have assumed the assets will remain a going concern in accordance with the relevant accounting literature.

SCOPE OF THE ENGAGEMENT

Our services included performing a Fair Value estimation of 100% equity interest in the Company as of the Valuation Date.

In the process of the valuation under this engagement, we relied on audited and unaudited financial information of the Company provided by the Management or obtained from public sources. The procedures used in our analysis included such substantive steps, as we considered necessary, including, but not necessarily limited to, the following:

- Discussions with the Management concerning the history, development and prospect of the Company;
- Discussions with the Management to obtain an explanation and clarification of data provided;
- Analysis of conditions in, and the economic outlook for the territory which the Company are produced;
- Analysis of general market data, including economic, governmental, and environmental forces, that may affect the value of the Company;
- Development of valuation models used to value the Company, including gathering market and industry information in support of various assumptions; and
- Analysis of other facts and data considered pertinent to this valuation to arrive at a conclusion of the fair value for the equity of the Company.

In the course of our valuation, we relied on the financial and other information provided by the Management, and have considered such information and data as attainable and reasonable. We have no reason to believe that any material facts have been withheld from us, however, we do not warrant that our investigations have revealed all of the matters, which an audit or more extensive examination might disclose.

We do not express an opinion as to whether the actual results of the operation of the Company will approximate those projected because assumptions regarding future events by their nature are not capable of independent substantiation. In applying these projections to the appraisal of the fair value of the Company, we are making no representation that the business expansion will be successful, or that market growth and penetration will be realized.

We also used financial and other information obtained from private and public sources we considered reliable, and our conclusions are dependent on such information as being complete and accurate in all material respects.

Respectfully submitted,
International Valuation Limited

1 INTRODUCTION

Description of the Engagement

International Valuation Limited ("**IVL**") has concluded its analysis in connection with the valuation of 100% equity interest in Explicitly Grand Investments Limited (the "**Company**") as of April 30, 2017. The purpose of this engagement was to estimate the fair value of 100% equity interest in the Company as of April 30, 2017 (the "**Valuation Date**").

Our work is designed solely to assist the management (the "**Management**") of Amax International Holdings Limited (the "**Client**") to determine the fair value of 100% equity interest in the Company as of the Valuation Date. No other use of our valuation report is intended or should be inferred.

In estimating the fair value of the assets appraised under this engagement, our efforts will be based on the following description of Fair Value: "*Fair value is the amount at which an asset (or liability) could be bought (or incurred) or sold (or settled) in a current transaction between willing parties, that is, other than in a forced or liquidation sale.*" Unless otherwise noted, in estimating the fair value of the subject assets, we have assumed the assets will remain a going concern in accordance with the relevant accounting literature.

In the process of the valuation under this engagement, we relied on audited and unaudited financial information of the Company provided by the Client or obtained from public sources. The procedures used in our analysis included such substantive steps, as we considered necessary, including, but not necessarily limited to, the following:

- Discussions with the Management concerning the history, development and prospect of the Company;
- Discussions with the Management to obtain an explanation and clarification of data provided;
- Analysis of conditions in, and the economic outlook for the territory which the Company are produced;
- Analysis of general market data, including economic, governmental, legal and environmental forces, that may affect the value of the Company;
- Development of valuation models used to value the Company, including gathering market and industry information in support of various assumptions; and
- Analysis of other facts and data considered pertinent to this valuation to arrive at a conclusion of the fair value for the equity of the Company.

Sources of Information

As part of our due diligence, we relied upon information and documents furnished to us by the Management and obtained from public sources, including but not limited to the following:

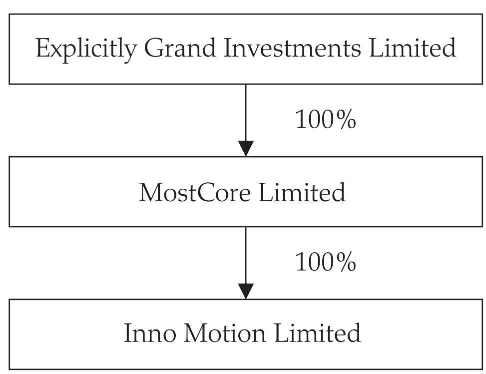
- Individual and consolidated management accounts of the Company and the Group for the year ended March 31, 2017 and month ended April 30, 2017;

- Projected financial information of the Company and the Group for the year ending March 31, 2018.

Other information regarding the industry and economic outlook, as well as additional financial data was obtained from sources deemed to be reliable.

2 OVERVIEW OF THE CLIENT AND THE COMPANY

Business Description and Group Structure



Explicitly Grand Investments Limited, a company incorporated with limited liability in the British Virgin Islands.

MostCore Limited is a company incorporated in Hong Kong with limited liability and is wholly owned by Explicitly Grand Investments Limited.

Inno Motion Limited is a company incorporated in Hong Kong with limited liability and is wholly owned by MostCore Limited.

The principal activities of the Target Group include the development of innovative intellectual properties and technological solutions, mobile apps development and the provision of IT solutions to clients and mobile users across the globe. The Target Group spans its services to corporate clients such as (i) AR mobile apps; (ii) VR entertainment platforms; (iii) AR/VR Apps for education, training and e-learning; and (iv) character design, 3D modelling and animations.

3 ECONOMIC AND INDUSTRY OVERVIEW

Overview of the Hong Kong Economy

POLITICAL STABILITY: Political stability will remain vulnerable in 2017-21. Frustration with the government has been evident in the low support found in public opinion polls for the territory's leaders. It was also apparent in the results of the election for the Legislative Council (Legco, Hong Kong's parliament) on September 4th, which saw the pro-government camp lose seats.

ELECTION WATCH: The 2017 election campaign for chief executive is likely to be less antagonistic and competitive than it was in 2012, as the central Chinese government will probably ensure that it is, in effect, a one-horse race. The Economist Intelligence Unit continues to believe that the central government will encourage the incumbent, Leung Chun-ying, not to run again, in the hope that a successor will deliver improved political stability. Critical comments about the central government's Hong Kong and Macau Affairs Office in a report published in October by the Central Commission for Discipline Inspection, a body that monitors corruption within the mainland's ruling Chinese Communist Party, strengthen our belief that the latter is not happy about recent developments in the territory.

INTERNATIONAL RELATIONS: Under the Basic Law (Hong Kong's mini constitution), defense and foreign affairs are the preserve of the central Chinese government, but the territorial administration has authority over domestic matters and external issues relating to trade. Hong Kong is seeking a free-trade deal with the Association of South-East Asian Nations (ASEAN). The UK and US have traditionally taken a close interest in the territory's affairs.

POLICY TRENDS: Mr. Leung will spend the tail-end of his term of office focusing on the livelihood issues that he stressed during his 2011-12 election campaign. However, cynicism about the government's ambitious plans to boost construction of residential properties, including public housing, over the next decade will grow in the light of Mr. Leung's involvement in the controversy over the stalled Wang Chau housing development. We have, in any case, long believed that the housing construction goals would not be achieved. Progress to date has been poor, and the scheme will face mounting opposition from real-estate developers in 2017 as house prices begin to decline again.

ECONOMIC GROWTH: Although unemployment remains low, growth in household consumption will be subdued in 2016 as pessimism about the economic outlook mounts. With trade in goods and services forecast to contract again in 2016 and the decline in investment set to accelerate, we expect the economy to struggle. Economic growth for the year as a whole is expected to reach only 1.6%. Although the economy expanded by 1.7% year on year in April-June, this performance was heavily influenced by a jump in inventories-a driver of growth that is unlikely to be sustainable.

INFLATION: A modest upward trend in global oil prices in 2017-18 will have a muted direct effect on local prices, as petrol accounts for a relatively low proportion of total household spending. However, it could have a greater indirect impact through increasing the cost of food imported from the Chinese mainland, the primary source of the territory's food. A drop in house prices in 2017 will also serve to cool inflation through its knock-on effect on rents (which have the largest weighting of any single component in the consumer price index). China's renminbi is expected to weaken against the Hong Kong dollar on average in 2017-18, which will help to hold down the price of imported goods more generally. Around half the territory's imports come from the mainland. However, this effect will reverse as the local currency weakens against the renminbi in 2019-21. Taking these factors into account, consumer price inflation is forecast to average 2.4% a year in 2017-21. Nonetheless, rents could fall more sharply if property prices were to drop by more than we expect. This would cause inflation to cool faster than we currently forecast.

EXCHANGE RATES: The Hong Kong Monetary Authority (which performs many of the functions of a central bank) is committed to maintaining the Hong Kong dollar's peg to the US dollar, and this policy is expected to hold for the next five years. The authorities have sufficient policy freedom and financial resources to defend the peg. The link to the US dollar means that the local currency is estimated to appreciate significantly on a trade-weighted basis in 2016. But local exports are not very price-sensitive, and the impact on the external sector will be small. In the longer term we believe that it is inevitable that the peg will switch from the US dollar to the renminbi. This will probably happen at some point shortly after the end of the forecast period, provided that the margin between US and Chinese benchmark interest rates is relatively close at that time. The shift will reflect the growing depth of financial links between the territory and the mainland, the increasing openness of China's capital account and the Chinese government's desire to reinforce its sovereignty over the territory.

EXTERNAL SECTOR: The current-account surplus has declined sharply in recent years as the merchandise trade account has posted sizeable deficits. The territory will post a widening goods trade deficit in 2017-21. We expect the current-account balance to move from a surplus equivalent to an estimated 3% of GDP in 2016 to a deficit of 1.6% in 2021, partly owing to higher global oil prices. However, the services account will continue to post large surpluses. This reflects both Hong Kong's role as a professional-services entrepôt to China and the large number of tourists. The territory will also record a persistent, modest surplus on the primary income account over the same period, with both inflows and outflows exceeding the equivalent flows on the services account. Meanwhile, repatriation of earnings by resident foreigners will ensure that the secondary income account remains in deficit.

4 GENERAL VALUATION OVERVIEW

The methods commonly used to develop approximate indications of value for a business or assets are the Income, Market, and the Cost Approaches.

Income Approach

The Income Approach focuses on the income-producing capability of a business or asset. The Income Approach measures the current value of a business or asset by calculating the present value of its future economic benefits such as cash earnings, cost savings, tax deductions, and proceeds from disposition. Value indications are developed by discounting expected cash flows to their present value at a rate of return that incorporates the risk-free rate for the use of funds, the expected rate of inflation, and risks associated with the particular investment. The discount rate selected is generally based on rates of return available from alternative investments of similar type and quality as of the valuation date.

Market Approach

The Market Approach measures the value of a business or asset through an analysis of recent sales or offerings of comparable businesses or assets. Adjustments are made to account for differences between the subject business or asset being valued and the comparable businesses or assets used in the analysis.

It is employed in the valuation of the asset for which there is a known used market. Under the premise of continued use assuming adequate earnings, consideration is given to the cost to acquire similar items in the second-hand market; an allowance then is made to reflect the costs for freight and installation.

A variant of the direct Market Approach is the use of market relationship. Recent market prices for asset in a property classification are determined with respect to age and are compared with a benchmark price, such as the cost of reproduction new. The ratio is applied to similar property in the classification when the secondary market for the subject asset is too sparse to exhibit appropriate comparable.

Cost Approach

The Cost Approach measures the value of a business or asset by the cost to reconstruct or replace it with another of like utility. To the extent that the assets being valued provide less utility than new assets, the reproduction or replacement cost new would be adjusted to reflect appropriate physical deterioration, functional obsolescence, and economic obsolescence. The Cost Approach recognizes that a prudent investor would not ordinarily pay more for property or an asset than the cost to replace them new.

In developing our opinions, we considered all three approaches to value for the asset types and chose the comparatively more relevant approach or approaches for each. Our conclusions rely on the approaches judged to be comparatively more relevant for the purpose and scope of our analysis, as well as the nature and reliability of the data available to us.

The selected approaches and specific methodologies applied in the valuation of each of the asset classes are described in the related sections of this report.

Selected Approaches

In estimating the fair value of the 100% equity interest of the Company, we relied primarily on the Market Approach. Income Approach is not used since prospective financial projection for period after March 2018 is not available. Given the business nature of the Company is in general on project basis and non-recurring. The Cost Approach was not applied for the valuation of as it tends to understate the value of an income-generating business. We have applied the Market Approach for estimating the fair value of 100% equity interest of the Company. As represented by the Management, the Target Group has secured legal binding contracts with an approximate total contract sum which exceed HKD7 million and secured by the "2018 Guaranteed Profit". The Company is turning profitable as it has recorded net profit after taxation ("**NPAT**") of approximately HKD1.5 million for the three months period from April to June of 2017 as represented by the Management and as expected by the Management, the Company would be able to achieve a projected NPAT of approximately HKD4,910,000 for the year ending March 31, 2018. Moreover, since there are sufficient suitable comparable companies to the Target Group, the valuation multiples can provide more current market information and investor's investment preferences in order to make a more objective investment decision.

Under Market Approach we relied on the trading multiples of publicly traded guideline companies of the Company. In order to consider Market Approach, we searched for public companies listed in Hong Kong and with business nature similar to those of the Company. To be more specific, we employed forward price to earnings multiple ("**P/E**") in this valuation.

5 ESTIMATION OF THE FAIR VALUE OF 100% EQUITY INTEREST IN THE COMPANY

Introduction

In this section of our report, we describe our valuation analysis utilized to arrive at a concluded fair value of 100% equity interest in the Company.

Valuation Approach

The Market Approach uses direct comparisons to other enterprises and their equity securities to estimate the fair value of the common shares of privately issued securities. The Market Approach bases the fair value measurement on what other similar enterprises or comparable transactions indicate the value to be. Under this approach, investment by unrelated parties in comparable equity securities of the subject enterprise or transactions in comparable equity securities of comparable enterprises is examined. One commonly used "market comparables" methods is the Guideline Public Company.

The following table presents the comparables used in the valuation of 100% equity interest in the Company:

Comparable	Business description
Tencent Holdings Limited (700 HK)	Tencent Holdings Limited, an investment holding company, provides internet and mobile value-added services (VAS), online advertising services, and e-commerce transactions services to users in the People's Republic of China, the United States, Europe, and internationally.
Kingsoft Corporation Ltd. (3888 HK)	Kingsoft Corporation Ltd. develops and markets computer software. The Company develops role-playing computer games and security, word processing, and spreadsheet software.
IGG Inc. (799 HK)	IGG Inc. is an online games developer and operator. The Company offers multi-language browser games, client-based games and mobile games to players globally.
Kingdee International Software Group Company Limited (268 HK)	Kingdee International Software Group Company Limited, through its subsidiaries, develops and sells enterprise management software, e-commerce application software and middleware software. The Company also provides internet-based services and setting up e-commerce platforms for enterprises. In addition, Kingdee provides solution consulting and technical support services.

Comparable	Business description
Sinosoft Technology Group Limited (1297 HK Equity)	Sinosoft Technology Group Limited is a provider of application software products and solutions. The Company principally develops and markets export tax software and related services, carbon management solutions, e-Government solutions.
Chanjet Information Technology Company Limited (1588 HK Equity)	Chanjet Information Technology Company Limited is a provider of enterprise software and services designed for micro and small scale enterprises.
Feiyu Technology International Co Ltd (1022 HK Equity)	Feiyu Technology International Co Ltd is a video-game developer. The Company is primarily focused on the development and operation of mobile games.
Linekong Interactive Group Co., Ltd. (8267 HK Equity)	Linekong Interactive Group Co., Ltd. operates as an investment holding company. The Company, through its subsidiaries, engages in developing and publishing online mobile games. Linekong Interactive Group conducts business in Hong Kong, and other countries and regions.
InvesTech Holdings Limited (1087 HK Equity)	InvesTech Holdings Limited is a technology company. The Company is engaged in the business of network system integration, professional network services, and mobile software platform.
Trillion Grand Corporate Co Ltd. (8103 HK Equity)	Trillion Grand Corporate Co Ltd, through its subsidiaries, provides system development services and sells software products. The Company also provides professional services, training, and technical support services.
Anacle Systems Limited (8353 HK Equity)	Anacle Systems Limited designs and develops enterprise software. The Company offers asset and energy management solutions. Anacle Systems serves petrochemical, real estate, pharmaceutical, and power generation industries in Asia.

Comparable	Business description
Gameone Holdings Limited (8282 HK Equity)	Gameone Holdings Limited is an integrated game developer, operator and publisher. The Company distributes its own game through is own distribution platforms and payment channels. Gameone also distribute licensed games.
Yu Tak International Holdings Limited (8048 HK Equity)	Yu Tak International Holdings Limited operates as a holding company. The Company, through its subsidiaries, provides enterprise software solutions and applications for banking, financial, and multinational companies. Yu Tak International Holdings serves clients in Hong Kong and Bermuda.

We have used forward P/E (2018) multiple in the valuation of fair value of 100% equity interest in the Company and then multiplied the implied equity value with the Discount for Lack of Marketability ("**DLOM**") to adjust for the fact that the Company have no liquid market as of the Valuation Date. P/E is adopted because it is commonly used in the valuation of income-generating business.

We used the projected net profit for year ending March 31, 2018 of the Company as of the Valuation Date in our calculation. As represented by the Management, the Target Group has secured legal binding contracts with an approximate total contract sum which exceed HKD7 million and secured by the "2018 Guaranteed Profit". The Company is turning profitable as it has recorded net profit after taxation ("**NPAT**") of approximately HKD1.5 million for the three months period from April to June of 2017 and as represented by the Management, the Company would be able to achieve a projected NPAT of approximately HKD4,910,000 for the year ending 31 March 2018. We made reference to the forward P/E multiples extracted from Bloomberg of the comparables as of the Valuation Date.

Ticker	Company	LTM P/E	Fwd. P/E
700 hk Equity	Tencent Holdings Ltd	43.1x	39.7x
3888 hk Equity	Kingsoft Corp Ltd	N.A.	15.5x
799 hk Equity	IGG Inc	28.4x	12.6x
268 hk Equity	Kingdee International Software Group Co Ltd	28.4x	33.5x
1297 hk Equity	Sinosoft Technology Group Ltd	13.6x	11.0x
1588 hk Equity	Chanjet Information Technology Co Ltd	N.A.	N.A.
1022 hk Equity	Feiyu Technology International Co Ltd	N.A.	17.0x
8267 hk Equity	Linekong Interactive Group Co Ltd	N.A.	29.0x
1087 hk Equity	InvesTech Holdings Ltd	N.A.	N.A.
8103 hk Equity	Trillion Grand Corporate Co Ltd	N.A.	N.A.
8353 hk Equity	Anacle Systems Ltd	12.6x	18.0x
8282 hk Equity	Gameone Holdings Ltd	N.A.	N.A.
8048 hk Equity	Yu Tak International Holdings Ltd	N.A.	N.A.
Median		28.41x	17.50x
Average		25.22x	22.04x

Notes: *Source: Bloomberg*

We took the median of forward P/E multiples of the comparables selected and multiplied with the projected net profit of the Company for year ending March 31, 2018 to arrive at a value which is on a non-marketable basis.

Determination of Fair Value and Discount for Lack of Marketability

The value of privately held shares is not directly comparable to the value of publicly traded securities. This is due to the fact that shareholders of privately held companies do not have the same access to trading markets that shareholders of publicly traded companies enjoy. Therefore, the fair value of the ordinary shares must be adjusted to reflect its lack of liquidity and ready market.

Study on DLOM	Transactions Observed	Median	Mean
SEC Institutional Investors	398	24%	26%
Gelman	89	33%	33%
Moroney	146	34%	35%
Maher	34	33%	35%
Trout	60	N.A.	34%
Williamette Management	33	31%	N.A.
Stryker/Pittock	28	45%	N.A.
Silber	69	N.A.	34%
Hall & Polacek	100	N.A.	23%
Hohnson	72	N.A.	20%
CFIA (1)	23	14%	21%
CFIA (2)	15	9%	13%
Management Planning (1)	53	25%	27%
Management Planning (2)	27	9%	12%
FMV Opinions	243	20%	22%
Average		**25.2%**	**25.8%**
Concluded DLOM		**25%**	

A number of research studies including restricted stock studies have attempted to quantify marketability discounts. Restricted stock studies are performed by comparing the prices at which a restricted stock trades vis-à-vis its publicly traded counterpart. A restricted stock is one that is identical to its company's publicly traded issue but carries a short-term restriction on marketability. In the case of transfers of restricted stock, these studies provide strong evidence for the application of a discount placed on illiquid investments.

Based on the studies we concluded a marketability discount of 25% is appropriate as of the Valuation Date.

6 SUMMARY AND CONCLUSION OF VALUE

Based on the information provided and the analysis conducted, and subject to the attached Statement of General Assumptions and Limiting Conditions and Certification of Value, our opinion of the fair value of 100% equity interest in the Company as of April 30, 2017 is reasonably represented in the amount of approximately HONG KONG DOLLARS SIXTY FOUR MILLION AND FOUR HUNDRED THOUSAND ONLY (HKD64,400,000).

This report and the observations and analyses are intended solely for use by the Client and are not to be reproduced, disseminated or disclosed, in whole or in part, to any other party except in accordance with the terms of our engagement letter. The information contained in this report may include proprietary, sensitive and confidential information that has not been publicly disclosed. Release of this information to any other party could be damaging to the Client and the Company.

In this appraisal, a number of assumptions have to be made in order to sufficiently support our concluded value of the Company. The major assumptions adopted in this appraisal are:

- The financial projection provided by the Company are reasonably made after due enquiries and careful consideration, and reflecting market conditions and economic fundamentals;
- The financial projection provided by the Company will be materialized;
- There will be no major changes in the current taxation laws in the territories (the "**Territories**") in which the Company operates or intends to operate and that the rates of tax payable shall remain unchanged and that all applicable laws and regulations will be complied with;
- There will be no major changes in the political, legal, economic or financial conditions in the Territories in which the Company operates or intends to operate, which would adversely affect the revenues attributable to and the profitability of the Company;
- The Company will retain and have competent management, key personnel, and technical staff to support its ongoing operation;
- Industry trends and the market conditions for related industries will not deviate significantly from economic forecasts; and
- All information and representations provided by the Company, for which they are solely and wholly responsible for are true, accurate and complete in all material respectively.

7 LIMITING CONDITIONS

Our conclusion of the value is derived from generally accepted valuation procedures and practices that rely substantially on the use of various assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained. This valuation reflects facts and conditions existing at the Valuation Date. Subsequent events have not been considered and we are not required to update our report for such events and conditions.

To the best of our knowledge, all data set forth in this report are reasonable and accurately determined. The data, opinions, or estimates as identified or being furnished by others, which have been used in formulating this analysis, are gathered from reliable sources, however, no guarantee is made nor liability assumed for their accuracy.

We have relied to a considerable extent on information provided by the Management and the company in arriving at our opinion of value. We are not in the position to verify the accuracy of all information provided to us. However, we have had no reason to doubt the truth and accuracy of the information provided to us and to doubt that any material facts have been omitted from the information provided. No responsibilities for the operation and financial information that have not been provided to us are accepted.

Save as and except for the purpose stated above, neither the whole nor any part of this report nor any reference thereto may be included in any document, circular or statement without our written approval of the form and context in which it will appear.

In accordance with our standard practice, we must state that this report is for the exclusive use of the party to whom it is addressed and for the specific purpose stated above. No responsibility is accepted to any third party for the whole or any parts of its contents.

Orient Victory Azure Capital Limited
東勝瀛信財務顧問有限公司
2603, 26/F,
Harbour Centre,
25 Harbour Road,
Wanchai, Hong Kong

30 August 2017

The board of directors (the "**Directors**") of
Amax International Holdings Limited
Units 5106-07, 51/F.,
The Center,
99 Queen's Road Central,
Central, Hong Kong

Dear Sirs,

Re: Discloseable Transaction – Acquisition of 100% equity interests in Explicitly Grand Investments Limited

We refer to the valuation prepared by International Valuation Limited (the "**Independent Valuer**") in relation to the valuation of Explicitly Grand Investments and its subsidiaries ("**Target Group**") as at 30 April 2017 (the"**Valuation**"). Unless otherwise stated, capitalised terms used in this letter shall have the same meanings as those defined in the circular (the "**Circular**") of Amax International Holdings Limited dated 30 August 2017.

We have reviewed the forecasts upon which the Valuation has been made and have discussed with the management of the Company and the Independent Valuer the information and documents provided by the management of the Company which formed part of the basis and assumptions upon which the profit forecasts have been prepared. We have also considered the report from Elite Partners CPA Limited dated 30 August as set out in Appendix III to the Circular regarding the calculations and arithmetical accuracy of the Valuation upon which the profit forecasts have been made. As the relevant bases and assumptions are about future events which may or may not occur, the actual financial performance of the Target Group may or may not achieve as expected and the variation may be material.

On the basis of the foregoing and without giving any opinion on the reasonableness of the valuation methods, bases and assumptions adopted by the Independent Valuer on the Valuation, for which the Independent Valuer and the Company are responsible, we are of the opinion that the profit forecast upon which the Valuation has been made, for which you as the Directors are solely responsible, have been made after due and careful enquiry by you. Our opinion has been given for the sole purpose of compliance with Rule 14.62(3) of the Listing Rules and for no other purpose.

Yours faithfully,
For and on behalf of
Orient Victory Azure Capital Limited
Li Hin Chu
Director

30 August 2017

The Board of Directors
Amax International Holdings Limited
Units 5106-07, 51/F., The Center,
99 Queen's Road Central,
Central, Hong Kong

Dear Sirs,

Amax International Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group")

Comfort letter on profit forecast underlying the valuation of the acquisition of the 100% equity interest of Explicitly Grand Investments Limited (the "Target Company") and its subsidiaries (the "Target Group") (the "Acquisition") in connection with discloseable transaction of the Group

We report on the calculations of the profit forecasts on which the valuation (the "**Valuation**") report dated 30 August 2017 prepared by International Valuation Limited in respect of the Valuation of the transaction in connection with proposed acquisition of the 100% equity interest of the Target Group. Capitalised terms used in this letter have the same meanings as defined in the circular of the Company dated 30 August 2017 (the "**Circular**") unless the context otherwise requires.

The Valuation which is determined based on the profit forecasts under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

Respective responsibilities of the directors of the Company and the reporting accountants

The directors of the Company are responsible for the preparation of the profit forecasts for the Valuation which is regarded as a profit forecast under Rule 14.62 of the Listing Rules.

It is our responsibility to report, as required by Rule 14.62(2) of the Listing Rules, on the calculations of the profit forecasts on which the Valuation is based. The profit forecasts do not involve the adoption of accounting policies.

The profit forecasts depend on future events and on a number of bases and assumptions which cannot be confirmed and verified in the same way as past results and not all of which may remain valid throughout the period. Consequently, we have not reviewed, considered or conducted any work on the appropriateness and validity of the bases and assumptions and express no opinion on the appropriateness and validity of the bases and assumptions on which the profit forecasts, and thus the Valuation, are based.

Basis of opinion

We carried out our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 500 "Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness" and with reference to Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). Those standards require that we plan and perform our work to obtain reasonable assurance as to whether, so far as the accounting policies and calculations are concerned, the Company's directors have properly compiled the Profit Forecast in accordance with the assumptions made by the directors and as to whether the Profit Forecast is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. We accept no responsibility to any other person in respect of, arising out of in connection with our work. Our work does not constitute any valuation of the Acquisition. Accordingly, we do not express an audit opinion.

Opinion

Based on the foregoing, in our opinion, the profit forecasts, so far as the calculations are concerned, has been properly compiled in accordance with the bases and assumptions made by the directors of the Company.

Yours faithfully,
Elite Partners CPA Limited
Certified Public Accountants Hong Kong

Chan Wai Nam, William
Practising Certificate Number P05957

AMAX INTERNATIONAL HOLDINGS LIMITED
奧瑪仕國際控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 959)

NOTICE IS HEREBY GIVEN that a special general meeting (the "**SGM**") of Amax International Holdings Limited (the "**Company**") will be held at United Conference Centre, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong on 15 September 2017 at 3 p.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

"**THAT**:

(a) the Sale and Purchase Agreement (to be defined in paragraph (c) below) and the transactions contemplated thereunder be and are hereby confirmed, approved and ratified and the directors of the Company (the "**Directors**") be and are hereby unconditionally granted a specific mandate to allot and issue the Consideration Shares (to be defined in paragraph (c) below) to the Vendors (to be defined in paragraph (c) below) pursuant to the terms of the Sale and Purchase Agreement as fully paid shares, subject to the fulfillment of the terms and conditions as stipulated in the Sale and Purchase Agreement;

(b) any one Director be and is hereby authorised to exercise all the powers of the Company and take all steps and to do all such acts and things, to sign and execute such document or agreements or deed on behalf of the Company as might in the opinion of the Directors be desirable, necessary or expedient in connection with the implementation of the transactions contemplated under the Sale and Purchase Agreement and in relation to the allotment and issue of the Consideration Shares or for other matters approved, confirmed and ratified herein, including, without limitation to, the execution, amendment, supplement, delivery, submission and implementation of any further documents or agreements; and

(c) for the purposes of this resolution:

"Sale and Purchase Agreement" means the agreement entered into between the Company and the Vendor on 18 July 2017 as disclosed in the Company's announcement date 18 July 2017 to acquire 100% equity interests in Explicitly Grand Investments Limited;

"Consideration Shares" means 150,000,000 ordinary shares of HK$0.2 each in the share capital of the Company to be allotted and issued under the Sale and Purchase Agreement to the Vendors upon completion of the sale and purchase of Target Group in accordance with the terms and conditions of the Sale and Purchase Agreement; and

"Vendors" refer to Gorgeous Smart Global Investment Limited and New Sphere Enterprise Inc.".

Yours faithfully
For and on behalf of the board of directors of
Amax International Holdings Limited
Ng Man Sun
Chairman and Chief Executive Officer

Hong Kong, 30 August 2017

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head office and principal place of business in Hong Kong:
Units 5106–07, 51/F, The Center,
99 Queen's Road Central,
Central, Hong Kong

Notes:

1. Any shareholder of the Company (the "**Shareholder(s)**") entitled to attend and vote at the SGM shall be entitled to appoint another person as his proxy to attend and vote instead of him. A proxy needs not be a Shareholder.

2. The form of proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorized to sign the same.

3. Delivery of the form of proxy shall not preclude a Shareholder from attending and voting in person at the SGM and in such event, the form of proxy shall be deemed to be revoked.

4. In order to determine entitlement of Shareholders to the right to attend and vote at the SGM (or any adjournment thereof), the Register will be closed from Tuesday, 12 September 2017 to Friday, 15 September 2017, both dates inclusive, during which period no transfer of Shares will be effected. All transfers of Shares accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on Monday, 11 September 2017.

5. Where there are joint Shareholders, any one of such joint Shareholders may vote, either in person or by proxy, in respect of such shares as if he were solely entitled thereto, but if more than one of such joint Shareholders be present at the SGM the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint Shareholders, and for this purpose seniority shall be determined by the order in which the names stand in the register of Shareholders of the Company in respect of the joint holding.

The form of proxy and (if required by the board of directors) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East Hong Kong not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof at which the person named in the form of proxy proposes to vote or, in the case of a poll taken subsequently to the date of the SGM or any adjournment thereof, not less than 48 hours before the time appointed for the taking of the poll and in default the form of proxy shall not be treated as valid.

6. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning is in effect any time after 8:00 a.m. on the date of the SGM, the meeting will be postponed. The Company will post an announcement on the Company's website (http://www.amaxhldg.com) and on the website of The Stock Exchange of Hong Kong Limited (www.hkex.com.hk) to notify Shareholders of the date, time and place of the rescheduled meeting.