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AMAX INTERNATIONAL HOLDINGS LIMITED

奧瑪仕國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 959)

ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2015

FINANCIAL HIGHLIGHTS

- The financial information of Greek Mythology, an associate of the Company which has significant impact on 2015 Annual Results of the Group, is unavailable to the Company for the preparation of consolidated financial statements. In order to reflect the current available financial information to shareholders, the Company decided to present all significant financial information excluding the financial information of Greek Mythology.
- Net loss for the financial year ended 31 March 2015 amounts to approximately HK\$41.4 million, compared to a net profit of approximately HK\$65.4 million for the financial year ended 31 March 2014. The net profit for the financial year ended 31 March 2014 was primarily attributable to the recognition of a one-off gain of HK\$102.4 million arising from the disposal of Ace High Group Limited, a wholly-owned subsidiary of the Company.
- Loss per share amounts to approximately HK\$0.16 compared to the earnings per share of approximately HK\$0.30 last year.
- The Group's net assets amount to approximately HK\$1,224 million, increased by approximately HK\$102.9 million and represent approximately 9% increase as compared to the figure last year.

The board (the “Board”) of directors (the “Directors”) of Amax International Holdings Limited (“Amax” or the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the financial year ended 31 March 2015 (the “2015 Annual Results”), as follows:

The 2015 Annual Results of the Group do not reflect the actual performances of Greek Mythology (Macau) Entertainment Group Corporation Limited (“Greek Mythology” or the “Associate”), an associate of the Company which operates and manages Greek Mythology Casino, due to the failure in accessing Greek Mythology’s financial information in a timely manner. The Company will make further announcement once relevant financial information of the Associate is obtained.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2015

	<i>Note</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Turnover	(4)	5,118	4,965
Cost of sales		<u>(173)</u>	<u>(71)</u>
Gross profit		4,945	4,894
Fair value gain on investment properties		—	7,840
Other revenue and other net income	(5)	81	161
Selling and distribution expenses		(490)	(1,097)
General and administrative expenses		(33,512)	(37,480)
(Loss)/gain on disposal of a subsidiary		(3)	102,437
Share of profit of associate		—	—
Finance costs	(6)	<u>(12,388)</u>	<u>(11,368)</u>
(Loss)/profit before taxation	(7)	(41,367)	65,387
Income tax	(8)	<u>—</u>	<u>—</u>
(Loss)/profit for the year		<u>(41,367)</u>	<u>65,387</u>
Attributable to:			
Owners of the Company		(40,240)	66,662
Non-controlling interests		<u>(1,127)</u>	<u>(1,275)</u>
(Loss)/profit for the year		<u>(41,367)</u>	<u>65,387</u>
(Loss)/earnings per share			
— basic (<i>HK cents</i>)	(10)	<u>(16.11)</u>	<u>30.13</u>
— diluted (<i>HK cents</i>)	(10)	<u>(16.11)</u>	<u>30.13</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2015

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
(Loss)/profit for the year	(41,367)	65,387
Other comprehensive income for the year		
Item that may be subsequently reclassified to profit or loss:		
Exchange differences on translation of financial statements of overseas subsidiaries	<u>5</u>	<u>13</u>
Total comprehensive (loss)/income for the year	<u>(41,362)</u>	<u>65,400</u>
Total comprehensive (loss)/income attributable to:		
Owners of the Company	(40,238)	66,675
Non-controlling interests	<u>(1,124)</u>	<u>(1,275)</u>
	<u>(41,362)</u>	<u>65,400</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2015

	<i>Note</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		5,346	1,639
Investment properties		—	14,150
Intangible assets	(11)	163,715	12,273
Goodwill		—	—
Interest in an associate		1,191,209	1,191,209
Deposits paid for acquisition of computer software		1,242	—
		<u>1,361,512</u>	<u>1,219,271</u>
Current assets			
Trade and other receivables	(12)	85,864	83,008
Cash and cash equivalents		3,053	3,962
		<u>88,917</u>	<u>86,970</u>
Current liabilities			
Trade and other payables	(13)	47,070	7,495
Obligations under a finance lease		367	139
Other borrowing		—	11,000
Promissory notes		140,288	—
		<u>187,725</u>	<u>18,634</u>
Net current (liabilities)/assets		<u>(98,808)</u>	<u>68,336</u>
Total assets less current liabilities		1,262,704	1,287,607
Non-current liabilities			
Promissory notes		37,410	166,074
Obligations under a finance lease		1,209	320
		<u>38,619</u>	<u>166,394</u>
NET ASSETS		<u>1,224,085</u>	<u>1,121,213</u>
Capital and reserves			
Share capital		55,547	45,647
Reserves		1,106,644	1,074,969
Total equity attributable to owners of the Company		1,162,191	1,120,616
Non-controlling interests		61,894	597
TOTAL EQUITY		<u>1,224,085</u>	<u>1,121,213</u>

1. BASIS OF PREPARATION

The annual results set out in the announcement do not constitute the Group's financial statements for the year ended 31 March 2015 but are extracted from those financial statements. The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules").

In preparing the consolidated financial statements, the directors have considered the future liquidity of the Group in view of its net current liabilities position as at 31 March 2015. The Group incurred a consolidated net loss from operations attributable to owners of the Company of approximately HK\$40,240,000 for the year ended 31 March 2015, and had consolidated net current liabilities of approximately HK\$98,808,000 as at 31 March 2015.

The directors adopted the going concern basis in the preparation of the consolidated financial statements by successfully obtaining the unsecured loan facility from an independent third party in order to improve the working capital position, the immediate liquidity and the cash flow position of the Group and the Company.

In the opinion of the directors, in light of the aforesaid arrangement implemented to date, the Group and the Company will have sufficient working capital for its current requirements and it is reasonable to expect that the Group and the Company will remain as a commercially viable concern. Accordingly, the directors are satisfied that it is appropriate to prepare the financial statements for the year ended 31 March 2015 on a going concern basis. Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for future liabilities which might arise and to reclassify non-current assets and non-current liabilities to current respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are relevant for the preparation of the Group's consolidated financial statements for the first time in the current year:

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

The application of these new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3. SEGMENT INFORMATION

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

(a) Major customers

Revenue of HK\$4,800,000 (2014: HK\$4,800,000) was received from Greek Mythology for the year ended 31 March 2015.

(b) Geographical

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

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Macau	4,800	4,800
PRC (excluding Macau and Hong Kong)	318	165
	5,118	4,965

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

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Macau	1,201,437	1,203,482
PRC	137	396
Hong Kong	3,034	15,393
Vanuatu	156,904	—
	1,361,512	1,219,271

4. TURNOVER

The Group is principally engaged in investment holding and investments in gaming and entertainment related business.

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

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Revenue from investments in gaming and entertainment related business		
— Investment in VIP gaming tables related operation	3,600	3,600
— Investment in slot machines related operation	1,200	1,200
Commission income on provision of services to Guangxi Welfare Lottery Issue Centre	318	165
	5,118	4,965

5. OTHER REVENUE AND OTHER NET INCOME

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

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Other revenue		
Interest income from banks	1	2
Rental income	26	74
Sundry income	31	129
	<u>58</u>	<u>205</u>
Other net income		
Gain/(loss) on disposal of property, plant and equipment	17	(56)
Net exchange gains	6	12
	<u>23</u>	<u>(44)</u>
	<u><u>81</u></u>	<u><u>161</u></u>

6. FINANCE COSTS

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Interest on promissory notes	11,624	10,864
Finance charges on obligations under a finance lease	38	20
Finance charges on other borrowing	726	484
	<u>12,388</u>	<u>11,368</u>

7. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation is arrived at after charging:

(a) Staff costs (including directors' emoluments)

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Equity-settled share-based payment expenses	1,535	4,586
Salaries, allowance and other benefits	10,739	8,211
Contributions to defined contribution retirement plans	212	170
	<u>12,486</u>	<u>12,967</u>

(b) Other items

	2015 HK\$'000	2014 HK\$'000
Depreciation of property, plant and equipment	776	746
Amortisation of intangible assets	2,046	2,046
Auditor's remuneration	707	720
Equity-settled share-based payment expenses	961	4,764
(Gain)/loss on disposal of property, plant and equipment	(17)	56
Operation lease charges in respect of premises:		
— minimum lease payments	4,151	2,590
Rental income from investment properties	(26)	(74)
	<u>4,151</u>	<u>2,590</u>

8. INCOME TAX

Pursuant to the rules and regulations of Bermuda and the British Virgin Islands (“BVI”), the Group is not subject to any income tax in Bermuda and BVI.

No provision for Hong Kong Profits Tax, Macau Complementary Income Tax, the People's Republic of China (“PRC”) Enterprise Income Tax and the Republic of Vanuatu (“Vanuatu”) Interactive Gaming Tax has been made (2014: HK\$Nil) as the companies in the Group have no assessable profits for the year in the relevant tax jurisdictions.

9. DIVIDENDS

The directors do not recommend the payment of a dividend for the year ended 31 March 2015 (2014: Nil).

10. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the loss attributable to owners of the Company of HK\$40,240,000 (2014: profit of HK\$66,662,000) and the weighted average number of ordinary shares in issue during the year, calculated as follows:

	2015 '000	2014 '000
Issued ordinary shares at the 1 April	228,233	207,633
Effect of share issue under placing	7,090	13,588
Effect of share issue for acquisition of subsidiaries (<i>note 14</i>)	14,394	—
	<u>249,717</u>	<u>221,221</u>
Weighted average number of ordinary shares at 31 March	<u>249,717</u>	<u>221,221</u>

(b) Diluted (loss)/earnings per share

No adjustment has been made to the basic loss per share amounts presented for the year ended 31 March 2015 in respect of a dilution as the impact of the share options had an anti-dilutive effect on the basic loss per share amounts presented.

The computation of diluted earnings per share does not assume the exercise of the Company's outstanding share options as the exercise price of those options is higher than the average market price for years ended 31 March 2014.

11. INTANGIBLE ASSETS

The Group

	Right in sharing of profit stream of VIP gaming tables related operation <i>(note a)</i> <i>HK\$'000</i>	Right in sharing of profit stream of slot machines related operation <i>(note a)</i> <i>HK\$'000</i>	Gaming license <i>(note b)</i> <i>HK\$'000</i>	Total <i>HK\$'000</i>
Cost				
At 1 April 2013, 31 March 2014 and 1 April 2014	20,000	47,092	—	67,092
Acquisition of intangible asset through acquisition of subsidiaries	—	—	153,488	153,488
At 31 March 2015	20,000	47,092	153,488	220,580
Amortisation and impairment				
At 1 April 2013	9,253	43,520	—	52,773
Charged for the year	1,535	511	—	2,046
At 31 March 2014 and 1 April 2014	10,788	44,031	—	54,819
Charged for the year	1,535	511	—	2,046
At 31 March 2015	12,323	44,542	—	56,865
Carrying amount				
At 31 March 2015	<u>7,677</u>	<u>2,550</u>	<u>153,488</u>	<u>163,715</u>
At 31 March 2014	<u>9,212</u>	<u>3,061</u>	<u>—</u>	<u>12,273</u>

The amortisation charge for the year is included in “general and administrative expenses” in the consolidated statement of profit or loss.

Note:

- (a) The intangible assets relate to the Group’s rights to share a portion of the net gaming wins from certain gaming tables in the high rolling gaming area and certain slot machines in Greek Mythology Casino in Macau for 14 years from 16 February 2007. With effect from 1 October 2010, the Group granted the associate, Greek Mythology, the right to operate and manage the aforesaid gaming tables and slot machines. In return, the Group earns fixed monthly income of HK\$300,000 and HK\$100,000 from Greek Mythology in respect of the VIP gaming tables and slot machines operations, respectively, and no longer shares the net gaming wins. Taking into consideration the future monthly income, the Directors consider that there is no indication of impairment in the carrying amount of the intangible assets.
- (b) Gaming license, which was acquired through acquisition of subsidiaries on 11 November 2014, represents the gaming license for the corresponding subsidiary to conduct interactive gaming business in Vanuatu through a telecommunication device. The useful life of the gaming license is 15 years from February 2014. No amortisation has been charged for the year ended 31 March 2015 since the relevant software was still under the testing stage as at 31 March 2015 and the subsidiaries are yet to commence the operation.

12. TRADE AND OTHER RECEIVABLES

	The Group	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Other receivables	512	3,213
Due from an associate	79,965	75,165
	<hr/>	<hr/>
Loans and receivables	80,477	78,378
Rental and other deposits	2,307	1,252
Prepayments	3,080	3,378
	<hr/>	<hr/>
	85,864	83,008
	<hr/> <hr/>	<hr/> <hr/>

All of the trade and other receivables are expected to be recovered or recognised as expenses within one year.

13. TRADE AND OTHER PAYABLES

	The Group	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade payables (a)	1,182	962
Accruals and other payables (b)	45,732	6,377
Due to related companies (c)	156	156
	<hr/>	<hr/>
	47,070	7,495
	<hr/> <hr/>	<hr/> <hr/>

All the trade and other payables are expected to be settled within one year.

(a) The ageing analysis of trade payables as of the end of the reporting period is as follows:

	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within one month	329	109
Over one year	853	853
	<hr/>	<hr/>
	1,182	962
	<hr/> <hr/>	<hr/> <hr/>

(b) Included in Group's accruals and other payables as at 31 March 2015 mainly represents the payable of the second tranche of 14,800,000 consideration shares for the acquisition of the Forenzia Group (note 14) amounted to approximately HK\$36,750,000. According to the Company's announcement dated 14 October 2014, the second tranche of consideration shares will be allotted and issued to the Vendor within six months after commencement of the business operation.

(c) The amounts due to related companies are unsecured, non-interest-bearing and repayable on demand.

14. ACQUISITION OF INTANGIBLE ASSET THROUGH ACQUISITION OF SUBSIDIARIES

With reference to the announcement of the Company dated 14 October 2014, the Company entered into an agreement with an independent third party (“Vendor”) on the same date for the acquisition of 60% issued share capital of Forenzia Enterprises Limited and its subsidiaries (“Forenzia Group”), which was satisfied by way of the issue of 37,000,000 consideration shares. The first tranche of 22,200,000 consideration shares had been allotted and issued to the Vendor upon the completion of the sale and purchase of the shares of Forenzia Enterprises Limited. The second tranche of 14,800,000 consideration shares will be allotted and issued to the Vendor within 6 months after the commencement of the business operation.

The acquisition of the Forenzia Group was completed on 11 November 2014 as referred to in the announcement of the Company of the same date.

Forenzia Enterprises Limited is a company incorporated in the British Virgin Islands, and through its wholly-owned subsidiaries, holds a gaming license in Vanuatu and its principal activity is to conduct gaming business in Vanuatu. The principle asset held by the Forenzia Group is an Interactive Gaming License in Vanuatu (Note 11). This acquisition of subsidiaries has been accounted for as acquisition of assets and liabilities as the Forenzia Group has not yet carried out any business since the completion of the acquisition. As the acquisition was settled by issue of the Company’s shares, this is classified as an equity settled share based payment transaction. The fair value of the consideration shares should be recognised based on the fair value of the net assets acquired.

Assets and liabilities arising from the acquisition were as follows:

	<i>HK\$’000</i>
Intangible assets	153,488
Deposits paid	1,540
Other receivable	121
Cash and cash equivalents	1
Other payable	<u>(2,024)</u>
	153,126
Non-controlling interests	<u>(61,250)</u>
	<u><u>91,876</u></u>

Total purchase consideration satisfied by:

	<i>HK\$’000</i>
Consideration shares	<u><u>91,876</u></u>

Net cash inflow arising on acquisition:

	<i>HK\$’000</i>
Cash and cash equivalents in subsidiaries acquired	<u><u>1</u></u>

There was no acquisition of subsidiaries during the year ended 31 March 2014.

**EXTRACT OF INDEPENDENT AUDITOR'S REPORT ON THE COMPANY'S
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**

BASIS FOR DISCLAIMER OF OPINION

(1) Opening balances and corresponding figures

As detailed in the predecessor auditor's report dated 27 June 2014, their audit opinion on the consolidated financial statements for the year ended 31 March 2014 (the "2014 Financial Statements"), which form the basis for the corresponding figures presented in the current year's consolidated financial statements, was disclaimed because of the significance of the possible effects of the limitations in the scope of their audit. Accordingly, we were unable to carry out audit procedures on the opening balances as to whether the 2014 Financial Statements give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2014 and 1 April 2014 and of the Group's results and cash flows for the year ended 31 March 2015.

(2) Scope limitation — Interest in Greek Mythology and share of results of Greek Mythology

The management of Greek Mythology did not cooperate with the management of the Group and denied the Group's access to their books and records. In addition, no audited financial statements of Greek Mythology since 31 March 2010 were available. We were therefore unable to determine the Group's share of results of Greek Mythology since the year ended 31 March 2010.

Due to the lack of sufficient appropriate audit evidence, we were unable to satisfy ourselves as to whether Greek Mythology was properly accounted for as an associate, and whether the carrying amount of the Group's and the Company's interest in Greek Mythology of HK\$1,191,209,000 as at 31 March 2015 and 2014, and the Group's share of results of Greek Mythology for the years ended 31 March 2015 and 2014 were free from material misstatement. There are no other satisfactory audit procedures that we could adopt to determine whether any adjustments to the amounts were necessary.

(3) Scope limitation — Recoverability of amount due from Greek Mythology and valuation of intangible assets

(a) Included in the Group's trade and other receivables of HK\$85,864,000 as at 31 March 2015 was an amount of HK\$79,965,000 due from Greek Mythology. We were unable to obtain sufficient appropriate audit evidence to ascertain the appropriateness of making any provision for the impairment of this amount because (i) we were unable to carry out effective confirmation procedures in relation to the balance receivable for the purpose of our audit; and (ii) there is no information available for us to assess the financial position of Greek Mythology from which the management of the Group was denied access to their books and records as mentioned in the Basis for Disclaimer Opinion paragraph (2). There are no other satisfactory audit procedures that we could adopt to determine whether the recoverability of amount due from Greek Mythology and its recognition were free from material misstatement.

(b) Included in the consolidated statement of financial position as at 31 March 2015 are intangible assets, being the rights granted to Greek Mythology to operate and manage certain gaming tables and slot machines, with a carrying amount of HK\$10,227,000. No impairment has been made for the year in this aspect as the directors of the Company determined that the value in use of the rights exceeded their carrying amount based on the cash flow

projections and financial budgets prepared by the directors. However, we were unable to obtain sufficient appropriate audit evidence to ascertain whether the cash flow projections and financial budgets were properly prepared. We were therefore unable to satisfy ourselves as to whether the carrying amount of the intangible assets as at 31 March 2015 was fairly stated.

Any adjustments that might have been found to be necessary in respect of the matters mentioned above would have a consequential effect on the results for the years ended 31 March 2013 and 2014 and the Group's net assets as at 31 March 2015 and related disclosures in the consolidated financial statements.

DISCLAIMER OF OPINION

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the consolidated financial statements as to whether they give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2015 and of the Group's loss for the year then ended in accordance with Hong Kong Financial Reporting Standards and as to whether the consolidated financial statements have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

EMPHASIS OF MATTERS

Without further qualifying our opinion, we draw attention to note 1 to the consolidated financial statements which states that the Group's current liabilities exceeded its current assets by HK\$98,808,000 as at 31 March 2015. This condition indicates the existence of an uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

MANAGEMENT DISCUSSION AND ANALYSIS

The Directors of the Company reports the audited consolidated results of the Group for the year ended 31 March 2015 (the "year under review"). The 2015 Annual Results have been reviewed by the audit committee of the Company.

FINANCIAL REVIEW

The Group is principally engaged in investment holdings and investments in niche gaming and entertainment related businesses. For the year under review, the Group continued its efforts in consolidating its business resources and achieved major progress in diversifying investment geographically.

Turnover of the Group was approximately HK\$5.12 million for the year under review, as compared to approximately HK\$4.97 million for the corresponding period last year. During the year under review, the Group's main sources of revenue were the income on VIP gaming tables and slot machines-related operations, generated by its wholly-owned subsidiaries.

During the year under review, the Group recorded an operating loss of approximately HK\$41.4 million, compared to an operating loss of approximately HK\$37.1 million for the same period last year (after taking off one-off gain on disposal of a subsidiary). Net loss for the year under review was approximately HK\$41.4 million, compared to a net profit of approximately HK\$65.4 million for the same period last year, when a one-off gain on disposal of a subsidiary of HK\$102.4 million was recognised.

The 2015 Annual Results does not reflect the performance of Greek Mythology as the financial information of the Associate was unavailable to the Group for the purpose of preparing the Group's consolidated financial statements.

On 20 June 2014, the Group sold the retail shops, which were held by the Group as investment properties, at a consideration of HK\$14.15 million.

Equity fund-raising activities

During the year under review, the Company completed a number of placing and top-up subscription activities, raising a total of approximately HK\$24.2 million, details are as follows:

Date	Price per share (HK\$)	No. of Shares ('000)	Fund Raised (HK\$'000)
29 August 2014	1.20	6,400	7,557
2 December 2014	0.93	9,900	9,059
31 March 2015	0.70	11,000	7,576
		<u>27,300</u>	<u>24,192</u>

The successful placing exercises demonstrated the confidence of the shareholders and investors in the Company's management and prospects.

It is expected that the growth in business of the Group in the coming year and, in particular, the commencement of Vanuatu's operation in the near future, will provide stable funding for the Group to fund its current and future operations.

BUSINESS REVIEW

The year under review has been a crucial period for the Group. The changes in market environment brought us a variety of opportunities and challenges. In the past year, the gaming industry in Macau, especially the high roller segment, has been adversely impacted by multiple factors. Beyond Macau, however, the global gaming industry, especially the Asia Pacific region, still offers substantial growth potential. With the introduction of superior gaming technologies and the rapid development of interactive gaming, it is expected that the global gaming market will continue to grow in 2015. Asia Pacific's gaming industry has out-grown the rest of the world and will see its share of the total global market continue to increase.

Acquisition of Forenzia Enterprises

In recent years, interactive gaming has been enjoying phenomenal development and the Group responded swiftly to the trend. During the year under review, the Group announced the acquisition of a 60% equity interests in Forenzia Enterprises Limited ("Forenzia Enterprises"), with the aim to diversify its core gaming and entertainment business.

In October 2014, the Company entered into a sale and purchase agreement for the acquisition of 60% of the issued share capital of Forenzia Enterprises at a consideration of HK\$48.1 million. Forenzia Enterprises is principally engaged in conducting gaming business in Vanuatu and has obtained, through its wholly-owned subsidiaries, an interactive gaming license valid for a period of

15 years from February 2014 in the Republic of Vanuatu. The setting up of the business operation of Forenzia Enterprises is currently in progress. Upon completion, it will become the main revenue driver for the Company in Asia Pacific.

In the past years, Macau had been a key driver for Asia Pacific's booming gaming industry. Solid growth in gaming revenue had attracted a large number of market players. However, since early last year, the region was hit by negative growth. Gaming wins decreased by 37% compared to the same period last year. The decline was caused by several factors including China's anti-corruption campaign, Macau government's tightening control on gaming table supply, and a slowdown in China's economic growth. The once lucrative high roller segment in Macau's gaming industry was hit particularly hard. With increasing competition from its Asia Pacific neighbours, Macau's position as the destination of choice for Chinese gamblers has been gradually diminishing.

Under these circumstances, and in order to mitigate the challenges of the gaming industry in Macau, the Company has been actively seeking opportunities elsewhere in Asia Pacific. The management of the Company is optimistic about the gaming business prospects in the Republic of Vanuatu. Vanuatu is a popular travel destination for tourists from Australia, New Zealand, New Caledonia, Europe, North America and Japan. The Company has full confidence in the high potential of Vanuatu as the next gaming hotspot and is well-poised to benefit from the unfulfilled demand by establishing gaming operations there.

Greek Mythology

Greek Mythology is an associate in which the Group owns 24.8% equity interests. It operates and manages Greek Mythology Casino. The relationship between Greek Mythology and the Company began to deteriorate in 2012. Greek Mythology has since refused to provide the Company with its valid financial information to enable the Company to prepare the annual results for the years ended 31 March 2013 and 31 March 2014 respectively.

The Company has taken a series of legal actions in an attempt to obtain the annual accounts from the Associate. Since May 2014, the Court of First Instance of Macau granted court orders to instruct the administrator of Greek Mythology to provide the Company with its management accounts for the years ended 31 March 2013 and 31 March 2014 ("Management Accounts"). However, the Company was unable to verify both the accuracy and the legitimacy of the financial information in the Management Accounts and give its assent accordingly.

Consequently, the Company decided to take further actions and instructed its legal representative in Macau to issue a letter on 27 April 2015 to request the Associate to provide all relevant information and documentation to the Company, and convene general meetings to approve the Management Accounts. As conditions allow, apart from obtaining the said information and documentation, the Company will not hesitate to escalate the actions in order to re-exercise the rights of the Company in Greek Mythology.

As the financial accounts of the Associate may have significant impact on the Company's financial performance, the Company will closely monitor the development of this matter and inform shareholders if and when there is any significant progress.

LE-Guangxi

Through Le Rainbow China Limited ("LE-China"), the Group currently holds 42.61% beneficial equity interest in Nanning Inter-Joy LOTTO Information Service Co., Ltd. ("LE-Guangxi"). As a lottery related services company in cooperation with the Guangxi Welfare Lottery Issue Centre, LE-

Guangxi's Guangxi operation is primarily engaged in developing a electronic lottery selling system for the Guangxi Welfare Lottery Issue Centre which allows LE Guangxi to access a wide network of customers via internet, generating a stable revenue source for the Group. During the year under review, commission income from the provision of service amounted to HK\$318,000, as compared to HK\$165,000 for the corresponding period last year.

PROSPECTS AND OUTLOOK

Leveraging its extensive experience in the gaming and entertainment industry and given that the majority of its revenue was generated from Macau, the Group will seek to branch out its investment in the gaming and entertainment market beyond Macau.

According to *Global Gaming Outlook* published by PriceWaterhouseCoopers, global casino gaming revenue will grow at a 9.2% compound annual rate between 2010 and 2015. Global gaming revenue climbed by 3.2% to more than US\$450 billion in 2014 and is predicted to reach US\$525 billion by 2019.

Asia Pacific remains the largest gambling region in the world, contributing to almost 33% of global gambling revenue. It is also the fastest-growing region, with a projected 18.3% increase compounded annually to US\$79.3 billion in 2015. Asia Pacific's higher growth rate throughout the period will see its share of the total global market increase to 43.4% in 2015.

At the local industry level, land-based casinos in Macau used to be the main channels and revenue drivers for gaming activities. As the Company moves towards diversifying its portfolio of assets, we are better positioned to achieve sustainable development by tapping into high-growth gaming regions such as Vanuatu and other potential markets. We believe that Asia Pacific, supported by a rapidly expanding middle-class and fast-growing emerging economies, will continue to be an important gaming and entertainment market in the world. The Group is committed to becoming a key industry player in Asia Pacific.

In the coming year, the Group's priority will be given to the development and operation of the gaming business in Vanuatu in order to turn it into a growth driver for the Company.

In a rapidly-changing gaming market, the Group needs to have a solid foundation and a flexible management system in order to keep up with the dynamic trend. The Group is devoted to resuming normal operation of its business and investing resources to bring its business back to a profitable position. The Group's strategy is to develop itself into an investment holding company with multiple stable income sources. Looking forward, a major focus of the Group will be to explore further M&A opportunities worldwide.

Other Financial Items

Consolidated Income Statement

- The Group's selling and distribution expenses amounted to approximately HK\$0.5 million in 2015, compared to approximately HK\$1.1 million for the same period in 2014, representing approximately 55.3% decrease in expenses. This was primarily due to the decrease of selling expenses in LE-Guangxi.
- General and administrative expenses were approximately HK\$33.5 million in 2015, as compared to approximately HK\$37.5 million for the same period in 2014, representing an decrease of approximately 10.6%.

- Finance costs of the Group were approximately HK\$12.4 million in 2015, as compared to approximately HK\$11.4 million for the same period in 2014, representing an increase of approximately 9.0%.

Consolidated Statement of Financial Position

- Trade and other receivables as at 31 March 2015 were approximately HK\$85.9 million (31 March 2014: approximately HK\$83.0 million).
- Cash and cash equivalents as at 31 March 2015 were approximately HK\$3.1 million, compared to approximately HK\$4.0 million at the same time in 2014.
- Trade and other payables as at 31 March 2015 were approximately HK\$47.1 million (31 March 2014: approximately HK\$7.5 million). The increase was due to the payable of the second tranche of 14,800,000 consideration shares for the acquisition of the Forenzia Group amounted to approximately HK\$36.8 million.
- Promissory notes as at 31 March 2015 were HK\$177.7 million (31 March 2014: HK\$166.1 million). The Group had an obligation under a finance lease of HK\$1,576,000 (2014: HK\$459,000) as at 31 March 2015.

Final Dividend

The board of Directors of the Company does not recommend the payment of a final dividend as at 31 March 2015, there was no interim dividend payment during the financial year.

Liquidity and Financial Resources

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

As at 31 March 2015, the Group had total assets and net assets of approximately HK\$1,450 million (2014: approximately HK\$1,306 million) and HK\$1,224 million (2014: approximately HK\$1,121 million), comprising non-current assets of approximately HK\$1,362 million (2014: approximately HK\$1,219 million) and current assets of approximately HK\$89 million (2014: approximately HK\$87 million) which were financed by shareholders' funds of approximately HK\$1,224 million (2014: approximately HK\$1,121 million). Non-controlling interests of approximately HK\$61.9 million (2014: approximately HK\$0.6 million), current liabilities of approximately HK\$187.7 million (2014: approximately HK\$18.6 million) and non-current liabilities of approximately HK\$38.6 million (2014: approximately HK\$166.4 million).

As at 31 March 2015, the Group's gearing ratio, calculated as a ratio of debt to shareholders' equity, was approximately 18% (2014: 17%). As at 31 March 2015, the Group had cash and cash equivalents of approximately HK\$3.1 million (2014: approximately HK\$4.0 million).

Foreign Exchange and Currency Risks

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

Employees and Remuneration Policy

As at 31 March 2015, the Group had employees in Hong Kong and Macau, the Group is aware of the importance of human resources and is dedicated to retaining competent and talented employees by offering them competitive remuneration packages, their salaries and bonuses were determined by reference to their duties, work experience, performance and prevailing market practices. The Group also participates in the Mandatory Provident Fund scheme in Hong Kong, and provides employees with medical insurance coverage. A share option scheme is in place to reward individual employees for their outstanding performance and contribution to the success of the Group.

Contingent Liabilities

The Group and the Company had no significant contingent liabilities as at 31 March 2015.

Investor Relations

The Group believes that maintaining active communication and operational transparency is vital to building good investor relations. During the year, the Group has retained a professional public relation company to maintain continuous communication with various investors and held meetings regularly with analysts and institutional investors from around the world, if appropriate.

CORPORATE GOVERNANCE PRACTICES

The Company has complied with all code provisions as set out in the Corporate Governance Code (the “CG Code”) in Appendix 14 to the Listing Rules throughout the year ended 31 March 2015 with the exception of certain deviations as further explained below.

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

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

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

None of the non-executive directors (the “Non-executive Directors”) of the Company, being all existing independent non-executive directors (the “Independent Non-executive Directors”, or “INEDs”) of the Company, is appointed for a specific term. However, all INEDs are subject to retirement by rotation but eligible for re-election at least once every three years at annual general meeting (the “AGM”) in accordance with the Bye-laws of the Company. The Company has also received the confirmation of independence from each INED and has grounds to believe that they are independent of the Company.

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

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

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

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

The Company periodically reviews its corporate governance practices and policy to ensure that they continue to meet the requirements of the CG Code, and acknowledges the important role of the Board in providing effective leadership and direction to the Company’s business, and ensuring transparency and accountability of the Company’s operations.

As such, the Company considers that sufficient measures have been in place to ensure that the Company’s corporate governance practices and policy are no less exacting than the code provisions.

Audit Committee

The Audit Committee comprises three INEDs, namely Mr. Li Chi Fai, Ms. Yeung Pui Han, Regina and Ms. Sie Nien Che, Celia, and is chaired by Mr. Li Chi Fai who has substantial accounting and related financial management expertise.

The main duties of the Audit Committee are to review and monitor and provide supervision over the Company’s financial reporting process and internal control system, perform corporate governance duties delegated by the Board and maintain an appropriate relationship with the Company’s auditor. The roles and functions of the Audit Committee are clearly set out in terms of reference which are no less exacting than the CG Code and are available on the websites of the Company and the Stock Exchange.

The annual results of the Group for the year under review had been reviewed by the audit committee.

Compliance Committee

The Compliance Committee comprises one Executive Director, one INED, the CFO and the Company Secretary, and is chaired by the Executive Director.

The main duties of the Compliance Committee are to formulate, review, approve, and monitor the Company’s policies and practices on compliance with legal and regulatory requirements, supervise the implementation and monitor the efficiency and effectiveness of the compliance management system. The roles and functions of the Compliance Committee are clearly set out in terms of reference which are no less exacting than the CG Code and are available on the websites of the Company and the Stock Exchange.

Remuneration Committee

The Remuneration Committee comprises one Executive Director and two INEDs and is chaired by an INED. The Company has complied with the chairman requirement and majority requirement of the Remuneration Committee members under Rule 3.25 of the Listing Rules.

The main duties of the Remuneration Committee are to review the Company's policy on remuneration structure, approve the management's remuneration by reference to corporate goals and objectives of the Company, recommend to the Board on the remuneration packages of the INEDs, review and determine the remuneration packages for the Executive Directors with delegated responsibility according to the model set out in code provision B.1.2(c)(i) of the CG Code as adopted by the terms of reference of the Remuneration Committee. No Director will determine his/her own remuneration. The roles and functions of the Remuneration Committee are clearly set out in the terms of reference which are no less exacting than the CG Code and are available on the websites of the Company and the Stock Exchange.

Nomination Committee

The Nomination Committee comprises one Executive Director and two INEDs and is chaired by the Executive Director. The Company has complied with the majority requirement of Nomination Committee members under Code Provision A.5.1 of the CG Code.

The main duties of the Nomination Committee are to review the structure, size and composition of the Board, make recommendations on the selection of individual to act as a Director and on appointment or re-election of Directors to complement the corporate strategy of the Company, and assess the independence of the INEDs. The roles and functions of the Nomination Committee are clearly set out in terms of reference which are no less exacting than the CG Code and are available on the websites of the Company and the Stock Exchange.

MODEL CODE FOR SECURITIES TRANSACTIONS

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

Having made specific enquiries of all Directors, all Directors confirm that they have complied with the required standard as stated in the Model Code regarding securities transactions throughout the year ended 31 March 2015.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the financial year ended 31 March 2015.

SCOPE OF WORK OF ELITE PARTNERS CPA LIMITED

The figures in respect of the Group's consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 March 2015 as set out in the preliminary announcement have been agreed by the Group's auditor, Elite Partners CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Elite Partners CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagement or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Elite Partners CPA Limited on this preliminary announcement.

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

Hong Kong, 26 June 2015

As at the date hereof, Mr. Ng Man Sun (Chairman and Chief Executive Officer) and Ms. Ng Wai Yee are the executive directors of the Company; and Ms. Yeung Pui Han, Regina, Mr. Li Chi Fai and Ms. Sie Nien Che, Celia are the independent non-executive directors of the Company.

* *for identification purpose only*