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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)**

### **CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE PROVISION OF TECHNICAL AND PRE-OPENING SERVICES TO A CASINO PROJECT IN CAMBODIA**

#### **INTRODUCTION**

The Board is pleased to announce that, on 11 October 2018 (after trading hours of the Stock Exchange), Victor Mind Global Limited (a wholly-owned subsidiary of the Company) and Cheung Shing Global Travel Entertainment Limited entered into the Service Agreement, pursuant to which VMG shall provide technical and pre-opening services in relation to the Casino operated by CSG.

#### **THE SERVICE AGREEMENT**

Pursuant to the Service Agreement, VMG shall provide technical and pre-opening services to CSG during the planning, design, decoration and pre-opening phases of the Casino.

The technical and pre-opening services are in relation to, among other things, (i) the design, development and implementation of information technology system in the Casino; (ii) the overall design of the Casino; (iii) the establishment of organization and operation structure of the Casino; (iv) the setting up of internal control system of the Casino; (v) the provision of headhunting and recruiting services for the Casino; (vi) the procurement of essential hardware, equipment and peripheral facilities of the Casino; (vii) monitor the overall progress and report deficiencies of the decoration of the Casino; and (viii) the procurement of all relevant licenses and permits in Cambodia for the operation of the Casino.

## **IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, CSG is wholly-owned by Mr. Ng who is an executive Director, Chairman, Chief Executive Officer of the Company and a Shareholder holding 57,468,626 Shares together with his associates, representing approximately 6.44% of the total issued share capital of the Company. Accordingly, CSG is regarded as a connected person of the Company under Chapter 14A of the Listing Rules and the transactions contemplated under the Service Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (other than the profits ratio) under Chapter 14A of the Listing Rules for the transactions contemplated under the Service Agreement, on an annual basis, are less than 25% and the annual cap is less than HK\$10,000,000, the transactions contemplated under the Service Agreement is subject to reporting and announcement requirements, but exempt from the circular (including independent financial advice) and independent Shareholders' approval requirements.

Given that Ms. Ng Wai Yee, being an executive Director and daughter of Mr. Ng, is an associate of Mr. Ng, therefore, both Mr. Ng and Ms. Ng Wai Yee have abstained from voting in the Board meeting in which the Service Agreement and the respective transactions contemplated thereunder were approved.

## **INTRODUCTION**

The Board is pleased to announce that, on 11 October 2018 (after trading hours of the Stock Exchange), Victor Mind Global Limited (a wholly-owned subsidiary of the Company) and Cheung Shing Global Travel Entertainment Limited entered into the Service Agreement, pursuant to which VMG shall provide technical and pre-opening services in relation to the Casino operated by CSG. Principal terms of the Service Agreement are set out below.

## **THE SERVICE AGREEMENT**

### **Date**

11 October 2018 (after trading hours of the Stock Exchange)

### **Parties**

- (i) Victor Mind Global Limited, a wholly-owned subsidiary of the Company (as services provider); and
- (ii) Cheung Shing Global Travel Entertainment Limited.

As at the date of this announcement, CSG is wholly-owned by Mr. Ng, who is an executive Director, Chairman and the Chief Executive Officer of the Company. Mr. Ng is therefore a connected person of the Company under Chapter 14A of the Listing Rules. As at the date of this announcement, Mr. Ng is interested in 57,468,626 Shares, representing approximately 6.44% of the existing issued share capital of the Company.

### **Subject matter**

Pursuant to the Service Agreement, VMG shall provide technical and pre-opening services to CSG during the planning, design, decoration and pre-opening phases of the Casino.

The technical and pre-opening services are in relation to, among other things, (i) the design, development and implementation of information technology system in the Casino; (ii) the overall design of the Casino; (iii) the establishment of organization and operation structure of the Casino; (iv) the setting up of internal control system of the Casino; (v) the provision of headhunting and recruiting services for the Casino; (vi) the procurement of essential hardware, equipment and peripheral facilities of the Casino; (vii) monitor the overall progress and report deficiencies of the decoration of the Casino; and (viii) the procurement of all relevant licenses and permits in Cambodia for the operation of the Casino.

### **Term**

Pursuant to the Service Agreement, the term of technical and pre-opening services shall commence from and including the Effective Date to the date of completion of technical and pre-opening services, which is expected to be on or before 31 March 2019.

### **Service fees**

Pursuant to the Service Agreement, VMG shall receive service fees of HK\$9,000,000 for the provision of technical and pre-opening services to the Casino in the following manner:

- (i) the sum of HK\$2,000,000 to be paid on or before 31 December 2018; and
- (ii) the sum of HK\$7,000,000 to be paid within 15 calendar days after the date of commencement of operation of the Casino or on 31 March 2019, whichever is earlier.

Service fees charged for the provision of technical and pre-opening services to the Casino shall be determined principally by arm's length commercial negotiations according to the principles of fairness and reasonableness by both parties by taking into account factors including locations and conditions of the Casino, the service scope and with reference to the service fees from other independent service providers for providing similar services in the market.

## **Annual cap**

The annual cap for the service fees payable by CSG to VMG under the Service Agreement for the year ending 31 March 2019, based on the assumption that the Anticipated Opening Date is on or before 31 March 2019, is as follows:

**For the year ending  
31 March 2019  
(HK\$)**

Annual cap	9,000,000
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The annual cap was determined based on (i) the service fees payment schedule as set out under the Service Agreement; and (ii) the Anticipated Opening Date which shall fall on or before 31 March 2019 in view of the current development plan of the Casino.

Should the Anticipated Opening Date be delayed and hence the Parties may enter into a supplemental agreement, the Company will review and where necessary, revise the annual caps in compliance with the relevant requirements under Chapter 14A of the Listing Rules.

## **INFORMATION ABOUT THE PARTIES**

### **Information of VMG**

VMG is incorporated in the British Virgin Islands with limited liability and is a wholly-owned subsidiary of the Company.

### **Information of CSG**

CSG is a company wholly-owned by Mr. Ng and incorporated in the British Virgin Islands with limited liability. CSG is principally engaged in the operation of the Casino which is located at Village 1, Commune No. 3, Mittaphea Town, Shihanoukville Municipal, Cambodia.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE SERVICE AGREEMENT**

The principal activities of the Company are running the VIP gaming tables related operation and slot machines related operation, operating the gaming business in Asia Pacific and the development of innovative intellectual properties and technological solutions, mobile games apps development and the provision of IT solutions to clients.

CSG has been sourcing an experienced service provider to assist itself in setting up the Casino for operation and the Company has solid experience in pre-opening preparation and operation of gaming business in Asia Pacific regions. The Directors believe that the entering into of the Service Agreement between VMG and CSG can provide an additional source of income to the Group while allowing the Casino to leverage the Company's expertise in the gaming industry.

Having considered the above, the Directors (including the independent non-executive Directors but excluding Mr. Ng and Ms. Ng Wai Yee) consider that the terms of the Service Agreement are fair and reasonable, and that although the entering into of the Service Agreement is not in the ordinary and usual course of business of the Group, it is on normal commercial terms or better (as far as the Company is concerned) and in the interests of the Company and its shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, CSG is wholly-owned by Mr. Ng who is an executive Director, Chairman, Chief Executive Officer of the Company and a Shareholder holding 57,468,626 Shares together with his associates, representing approximately 6.44% of the total issued share capital of the Company. Accordingly, CSG is regarded as a connected person of the Company under Chapter 14A of the Listing Rules and the transactions contemplated under the Service Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (other than the profits ratio) under Chapter 14A of the Listing Rules for the transactions contemplated under the Service Agreement, on an annual basis, are less than 25% and the annual cap is less than HK\$10,000,000, the transactions contemplated under the Service Agreement is subject to reporting and announcement requirements, but exempt from the circular (including independent financial advice) and independent Shareholders' approval requirements.

Given that Ms. Ng Wai Yee, being an executive Director and daughter of Mr. Ng, is an associate of Mr. Ng, therefore, both Mr. Ng and Ms. Ng Wai Yee have abstained from voting in the Board meeting in which the Service Agreement and the respective transactions contemplated thereunder were approved.

## **DEFINITIONS**

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

“Anticipated Opening Date” 31 March 2019, being the anticipated opening date of the Casino

“Board” the board of Directors

“Business Day” a day other than a Saturday, Sunday or a day on which banking institutions in Hong Kong or Cambodia are authorised or required by law to close

“BVI” the British Virgin Islands

“Cambodia”	the Kingdom of Cambodia
“Casino”	the casino which is located at Village 1, Commune No. 3, Mittaphea Town, Shihanoukville Municipal, Cambodia
“Company”	Amax International Holdings Limited, a company incorporated in Bermuda with limited liability, and the issued Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“CSG”	Cheung Shing Global Travel Entertainment Limited, a company incorporated in BVI with limited liability, which is wholly-owned by Mr. Ng
“Director(s)”	the director(s) of the Company
“Effective Date”	being the date of signing of the Service Agreement
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	Shareholders(s) other than Mr. Ng, Ms. Ng Wai Yee and their respective associates (as defined under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the main board of the Stock Exchange
“Mr. Ng”	Mr. Ng Man Sun, the Chairman and Chief Executive Officer of the Company
“PRC”	the People’s Republic of China
“Service Agreement”	the agreement dated 11 October 2018, entered into between VMG and CSG relating to the provision of technical and pre-opening services in relation to the Casino
“Share”	ordinary share(s) of HK\$0.20 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“VMG”	Victor Mind Global Limited, a company incorporated in BVI with limited liability, which is wholly-owned by the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 11 October 2018

*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.*