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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)

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018**

The board (the “Board”) of directors (the “Directors”) of Amax International Holdings Limited (the “Company”) announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 September 2018 (the “Period under Review”), together with the unaudited comparative figures for the corresponding period in 2017.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS*For the six months ended 30 September 2018*

		Six months ended	
		30 September	
		2018	2017
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Unaudited)
Revenue	<i>5</i>	62,265	10,530
Cost of sales		<u>(40,598)</u>	<u>(3,203)</u>
Gross profit		21,667	7,327
Loss on settlement of promissory notes		(10,129)	–
Selling and distribution expenses		(1,232)	(2,040)
General and administrative expenses		(27,777)	(19,090)
Finance costs	<i>6</i>	<u>(4,455)</u>	<u>(113)</u>
Loss before taxation	<i>7</i>	(21,926)	(13,916)
Income tax	<i>8</i>	<u>402</u>	<u>–</u>
Loss for the period		<u>(21,524)</u>	<u>(13,916)</u>
Attributable to:			
Owners of the Company		(22,074)	(13,797)
Non-controlling interests		<u>550</u>	<u>(119)</u>
Loss for the period		<u>(21,524)</u>	<u>(13,916)</u>
Loss per share		HK Cents	HK Cents
— basic and diluted	<i>10</i>	<u>(2.65)</u>	<u>(2.25)</u>

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the six months ended 30 September 2018

	Six months ended	
	30 September	
	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Loss and total comprehensive expense for the period	<u>(21,524)</u>	<u>(13,916)</u>
Total comprehensive expense attributable to:		
Owners of the Company	(22,074)	(13,797)
Non-controlling interests	<u>550</u>	<u>(119)</u>
	<u>(21,524)</u>	<u>(13,916)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2018

	Note	30 September 2018 HK\$'000 (Unaudited)	31 March 2018 HK\$'000 (Unaudited)
Non-current assets			
Property, plant and equipment		5,832	8,715
Intangible assets		120,545	127,241
Goodwill		41,761	41,761
Interest in an associate	11	353,568	353,568
Deposits paid for acquisition of computer software and property, plant and equipment		5,742	5,742
Derivative financial asset		–	156
		<u>527,448</u>	<u>537,183</u>
Current assets			
Trade and other receivables	12	65,751	52,848
Cash and cash equivalents		917	1,759
		<u>66,668</u>	<u>54,607</u>
Current liabilities			
Trade and other payables	13	10,356	204,864
Obligations under a finance lease		236	403
Other borrowings		12,215	10,300
Promissory notes	14	18,540	–
Convertible bonds	15	94,023	–
Tax payables		593	593
		<u>135,963</u>	<u>216,160</u>
Net current liabilities		<u>(69,295)</u>	<u>(161,553)</u>
Total assets less current liabilities		<u>458,153</u>	<u>375,630</u>
Non-current liabilities			
Obligations under a finance lease		–	33
Promissory notes	14	37,955	12,816
Convertible bonds	15	22,670	–
Deferred tax liabilities		3,214	3,616
		<u>63,839</u>	<u>16,465</u>
NET ASSETS		<u>394,314</u>	<u>359,165</u>
Capital and reserves			
Share capital		178,344	163,106
Reserves		162,211	142,850
Total equity attributable to owners of the Company		<u>340,555</u>	<u>305,956</u>
Non-controlling interests		<u>53,759</u>	<u>53,209</u>
TOTAL EQUITY		<u>394,314</u>	<u>359,165</u>

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2018

1. GENERAL INFORMATION

Amax International Holdings Limited (the “Company”) was incorporated and domiciled in Bermuda with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of the registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and the head office and principal place of business of the Company is Suite 6303-04, 63/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.

The principal activities of the Company and its subsidiaries (together the “Group”) are investment holdings, operating the gaming business in Vanuatu and the VIP room in Cambodia, running the VIP gaming tables related operation and slot machines related operation and the development of innovative intellectual properties and technological solutions in connection with mobile game apps development and AR/VR applications to clients. The principal activities of its associate are provision of casino management services including sales, promotion, advertising, patron referral, patron development and coordination of casino activities.

2. BASIS OF PREPARATION

(a) Statement of compliance

The unaudited condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” and other relevant HKASs and Interpretations and Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements set out in Appendix 16 to the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange.

The unaudited condensed consolidated interim financial statements should be read in conjunction with the Annual Report of the Group for the year ended 31 March 2018.

The unaudited condensed consolidated interim financial statements are presented in Hong Kong dollars (“HK\$”) which is the same as the functional currency of the Group, rounded up to the nearest thousand, unless otherwise indicated.

(b) Going concern

In preparing the unaudited condensed consolidated interim financial statements, the directors have considered the future liquidity of the Group in view of its net current liabilities position as at 30 September 2018. The Group incurred a consolidated net loss after taxation attributable to owners of the Company of approximately HK\$22,074,000 for the six months ended 30 September 2018, and had consolidated net current liabilities of approximately HK\$69,295,000 as at 30 September 2018. The net current liabilities were mainly contributed by the convertible bonds of the sum of HK\$94,023,000 issued in favour of Mr. Ng Man Sun. In this regard, Mr. Ng Man Sun confirmed with the Company that if, in any case, the Company is unable to fulfill its obligations of the convertible bonds by the mature date, he is willing to further extend the convertible bonds for a period of 24 months under the same terms.

The directors adopted the going concern basis in the preparation of the unaudited condensed consolidated interim 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.

In the opinion of the directors, in light of the aforesaid arrangement implemented to date, the Group will have sufficient working capital for its current requirements and it is reasonable to expect that the Group will remain as a commercially viable concern. Accordingly, the directors are satisfied that it is appropriate to prepare the unaudited condensed consolidated interim financial statements for the six months ended 30 September 2018 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 unaudited condensed consolidated interim financial statements.

(c) Judgments and estimates

Preparing the unaudited condensed consolidated interim financial statements requires the directors to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

In preparing these unaudited condensed consolidated interim financial statements, significant judgments made by the directors in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's consolidated financial statements for the year ended 31 March 2018.

3. SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements have been prepared on the historical cost convention except for certain financial instruments which are measured at fair value, as appropriate.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

The accounting policies used in the unaudited condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2018, except in relation to the following new and revised HKFRSs issued by the HKICPA that affect the Group and are adopted for the first time in the current period's financial statements.

HKFRS 9	Financial instruments
HKFRS 15	Revenue from contracts with customers and the related amendments
HK(IFRIC) – Int 22	Foreign currency transactions and advance consideration
Amendments to HKFRS 2	Classification and measurement of share-based payment transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial instruments with HKFRS 4 Insurance contracts
Amendments to HKAS 28	As part of the Annual Improvement to HKFRSs 2014 – 2016 Cycle
Amendments to HKAS 40	Transfers of investment property

The adoption of the new and revised HKFRSs in the current interim period has had no significant financial effect on these unaudited condensed consolidated interim financial statements.

4. SEGMENT REPORT

HKFRS 8 “Operating Segments” requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the executive directors) (“CODM”) in order to allocate resources to segments and to assess their performance.

During the six months ended 30 September 2018, the Group’s operating activities are attributable to two operating segments focusing on (i) gaming and entertainment related businesses; and (ii) AR/VR and mobile games solutions.

During the six months ended 30 September 2017, the Group principally has one operating segment, which is the investments in gaming and entertainment related businesses. Therefore, no segment revenue and results has been presented in these unaudited condensed consolidated interim financial statements for the six months ended 30 September 2017.

These operating segments have been identified on the basis of internal management reports prepared in accordance with accounting policies which conform to HKFRSs, that are regularly reviewed by the CODM. The following is an analysis of the Group’s revenue and results by reportable and operating segments:

(a) Segment revenue and results

	Six months ended 30 September 2018		
	Gaming and entertainment <i>HK\$’000</i>	AR/VR and mobile games solutions <i>HK\$’000</i>	Total <i>HK\$’000</i>
Segment revenue			
External	59,509	2,756	62,265
Segment results	10,097	(348)	9,749
Reconciliation:			
Amortisation of intangible assets			(6,696)
Loss on settlement of promissory notes			(10,129)
Fair value change of derivative financial assets			(156)
Unallocated corporate expenses			(10,239)
Unallocated finance costs			(4,455)
Loss before taxation			<u>(21,926)</u>

Segment profit/(loss) represents the profit/(loss) incurred by each segment include depreciation, but without allocation of certain amortisation, impairment, administration costs and other income. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

(b) Segment assets and liabilities

	30 September 2018 (Unaudited)			31 March 2018 (Audited)		
	Gaming and entertainment <i>HK\$'000</i>	AR/VR and mobile games solutions <i>HK\$'000</i>	Total <i>HK\$'000</i>	Gaming and entertainment <i>HK\$'000</i>	AR/VR and mobile games solutions <i>HK\$'000</i>	Total <i>HK\$'000</i>
Assets						
Segment assets	<u>141,883</u>	<u>94,858</u>	<u>236,741</u>	<u>136,484</u>	<u>97,614</u>	<u>234,098</u>
Unallocated corporate assets			<u>357,375</u>			<u>357,692</u>
Consolidated total assets			<u>594,116</u>			<u>591,790</u>
Liabilities						
Segment liabilities	<u>3,976</u>	<u>4,364</u>	<u>8,340</u>	<u>3,977</u>	<u>4,360</u>	<u>8,337</u>
Unallocated corporate liabilities			<u>191,462</u>			<u>224,288</u>
Consolidated total liabilities			<u>199,802</u>			<u>232,625</u>

	30 September 2018 (Unaudited)				31 March 2018 (Audited)			
	Gaming and entertainment <i>HK\$'000</i>	AR/VR and mobile games solutions <i>HK\$'000</i>	Other <i>HK\$'000</i>	Total <i>HK\$'000</i>	Gaming and entertainment <i>HK\$'000</i>	AR/VR and mobile games solutions <i>HK\$'000</i>	Other <i>HK\$'000</i>	Total <i>HK\$'000</i>
Other segment information								
Amounts included in the measure of segment profit or loss or segment assets								
Addition of property, plant and equipment	—	103	7	110	546	85	—	631
Depreciation of property, plant and equipment	2,640	55	298	2,993	5,213	39	639	5,891
Finance costs	—	—	4,455	4,455	—	—	1,160	1,160
Income tax (credit)/expenses	—	(402)	—	(402)	—	218	—	218
Amortisation of intangible assets	<u>4,260</u>	<u>2,436</u>	<u>—</u>	<u>6,696</u>	<u>2,048</u>	<u>11,003</u>	<u>—</u>	<u>13,051</u>

(c) Major customer

Revenue of HK\$2,400,000 (2017: HK\$2,400,000) was receivable from Greek Mythology (Macau) Entertainment Group Corporation Limited (“Greek Mythology”), an associate of the Group, for the six months ended 30 September 2018.

No other single customer contracted 10% or more to the Group’s revenue for the six months ended 30 September 2018.

(d) Geographical

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

	Six months ended	
	30 September	
	2018	2017
	<i>HK\$’000</i>	<i>HK\$’000</i>
	(Unaudited)	(Unaudited)
Macau	2,400	2,400
Republic of Vanuatu (“Vanuatu”)	6,828	8,130
Hong Kong	2,756	–
Kingdom of Cambodia (“Cambodia”)	50,281	–
	<u>62,265</u>	<u>10,530</u>

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

	30 September	31 March
	2018	2018
	<i>HK\$’000</i>	<i>HK\$’000</i>
	(Unaudited)	(Audited)
Macau	356,642	357,660
Vanuatu	8,992	11,577
Hong Kong	160,110	166,032
Cambodia	1,704	1,758
	<u>527,448</u>	<u>537,027</u>

5. REVENUE

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

	Six months ended 30 September	
	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Revenue from investments in gaming and entertainment related businesses		
– Investment in VIP gaming tables related operation	1,800	1,800
– Investment in slot machines related operation	600	600
– Investment in gaming operation in Vanuatu	6,828	8,130
– Investment in VIP room in Cambodia	50,281	–
Service income derived from AR/VR and mobile games solutions	2,756	–
	<u>62,265</u>	<u>10,530</u>

6. FINANCE COSTS

	Six months ended 30 September	
	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Interest on promissory notes	1,532	–
Interest on convertible bonds	2,798	–
Finance charges on obligations under a finance lease	5	11
Interest on other borrowings	120	102
	<u>4,455</u>	<u>113</u>

7. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

	Six months ended 30 September	
	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
(a) Staff costs (including directors' emoluments)		
Salaries, allowances and other benefits	5,446	4,035
Contributions to defined contribution retirement plans	103	62
	<u>5,549</u>	<u>4,097</u>
(b) Other items		
Depreciation of property, plant and equipment	2,993	2,909
Amortisation of intangible assets	6,696	7,083
Fair value change of derivative financial assets	156	222
Operation lease charges in respect of premises: – minimum lease payments	5,635	2,420

8. INCOME TAX

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

	Six months ended 30 September	
	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Deferred tax		
In respect of current period	402	—

9. DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the six months ended 30 September 2018 (2017: Nil).

10. LOSS PER SHARE

(a) Basic loss per share

The calculation of the basic loss per share was based on the unaudited loss attributable to owners of the Company of approximately HK\$22,074,000 (2017: HK\$13,797,000) and the weighted average number of 832,332,000 (2017: 611,890,000) ordinary shares in issue during the Period under Review.

(b) Diluted loss per share

No adjustment has been made to the basic loss per share amounts presented for the six months ended 30 September 2018 in respect of a potential dilution of share options and convertible bonds as the impact of the share options and convertible bonds had an anti-dilutive effect on the basic loss per share amounts presented.

No adjustment has been made to the basic loss per share amounts presented for the six months ended 30 September 2017 in respect of a potential dilution of share options as the impact of the share options had an anti-dilutive effect on the basic loss per share amounts presented.

11. INTEREST IN AN ASSOCIATE

The financial information of Greek Mythology (Macau) Entertainment Group Corporation Limited (“Greek Mythology”) is not available since 1 April 2012. The interest in the associate was accounted for in the unaudited condensed consolidated interim financial statements under the equity method using the unaudited financial information of the associate as at 31 March 2012. The carrying amount of the interest in an associate of HK\$1,191,209,000 brought forward from 1 April 2013 was carried forward to 31 March 2018.

During the year ended 31 March 2017, the Group assessed the recoverable amounts of investment in associate and an impairment loss of approximately HK\$837,641,000 was recognised in the consolidated statement of profit or loss.

Therefore, the carrying amount of the interest in an associate was HK\$353,568,000 as at 31 March 2018 and 30 September 2018.

12. TRADE AND OTHER RECEIVABLES

	30 September 2018 HK\$'000 (Unaudited)	31 March 2018 HK\$'000 (Audited)
Trade receivables	2,905	2,618
Other receivables	55,643	45,955
Less: impairment loss	<u>(25,300)</u>	<u>(25,300)</u>
	30,343	20,655
Due from an associate	28,500	26,100
Rental and other deposits	<u>3,361</u>	<u>2,360</u>
Loans and receivables	65,109	51,733
Prepayments	<u>642</u>	<u>1,115</u>
	<u>65,751</u>	<u>52,848</u>

13. TRADE AND OTHER PAYABLES

		30 September 2018	31 March 2018
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Audited)
Trade payables		45	—
Accruals and other payables	<i>a</i>	9,827	204,380
Due to related companies	<i>b</i>	484	484
		<u>10,356</u>	<u>204,864</u>

Notes:

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

- (a) Included in Group's accruals and other payables as at 30 September 2017, represents the payables of promissory notes of HK\$190,000,000 which was settled in the six months ended 30 September 2018. For details, please refer to note 14.
- (b) The amounts due to related companies are unsecured, non-interest bearing and repayable on demand.

14. PROMISSORY NOTES

	30 September 2018	31 March 2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
At the beginning of the period/year	12,816	—
Issuance of promissory notes	50,000	14,000
Fair value adjustment	(7,853)	(1,510)
Effective interest on promissory notes	1,532	326
	<u>56,495</u>	<u>12,816</u>
At the end of the period/year	56,495	12,816
Portion classified as current liabilities	(18,540)	—
	<u>37,955</u>	<u>12,816</u>

Notes:

- (a) On 18 October 2017, the Company issued unsecured promissory notes with principal value of HK\$14,000,000 for the acquisition of Explicitly Grand Investments Limited. The promissory notes are interest free and fall due on 17 October 2019. The fair values of the promissory notes at date of issuance was HK\$12,490,000. The promissory notes are subsequently measured at amortised cost, using effective interest rate of 5.87%. As at 30 September 2018, imputed interest of approximately HK\$372,000 (31 March 2018: HK\$326,000) was charged to profit or loss.

- (b) In 2006, the Company issued promissory notes to directors of Greek Mythology and certain independent third parties with total face value of approximately HK\$1,454,722,000 as part of the consideration for the further 30% equity interest in Greek Mythology. The promissory notes were unsecured, non-interest bearing and repayable in 2016.
- (c) Pursuant to a subscription agreement (the “Subscription Agreement”) entered into between the Company and a shareholder and director of the Company, Mr. Ng Man Sun, (“Mr. Ng”) irrevocably undertook and guaranteed the Company that the irrecoverable debts from certain collaborators of AMA International Limited (“AMA”) should not be more than HK\$50,000,000 for the year ended 31 March 2010. Otherwise, Mr. Ng would compensate the Company by offsetting against his promissory notes for the excess with a cap of face value of HK\$300,000,000.

In addition, during the year ended 31 March 2010, Mr. Ng irrevocably undertook and guaranteed the Company the repayment of debts due from the specified collaborators of AMA of up to HK\$300,000,000 on security of other promissory notes with a total face value of HK\$300,000,000.

During the year ended 31 March 2010, AMA made an allowance for impairment of bad and doubtful debts of approximately HK\$2,515,674,000 which included the amounts due from specific collaborators.

As a result, approximately HK\$400,106,000 was deducted from the face value of the promissory notes of HK\$600,000,000 held by Mr. Ng to offset against the bad and doubtful debts in AMA and recognised in the consolidated income statement for the year ended 31 March 2010.

On 18 March 2016 and 15 September 2016, the Company issued two separate writ of summons in the Court of First Instance of the High Court of Hong Kong claiming against Ms. Lee Bing (“Ms. Lee”) and Mr. Wu Weide (“Mr. Wu”).

On 29 December 2017, the Company entered into the Deed of Settlement (the “Deed”) in relation to the settlement of the disputes on the HK\$190 million promissory notes (the “PNs”) with Ms. Lee and Mr. Wu (collectively the “Holders”), pursuant to which the Company has agreed with the Holders on a settlement proposal in respect of the PNs concerned. The Company and the Holders agreed the settlement as follow:

- i) paying a total sum of HK\$85,500,000 to the Holders in the following manner:
 - (a) the sum of HK\$5,500,000 and which shall be paid to the solicitors of the Holders;
 - (b) the sum of HK\$20,000,000 by the issuance of promissory notes (“PN1”) in favour of the Holders and with a maturity date falling on the last business day of the period of nine calendar months after the issuance of promissory notes;
 - (c) the sum of HK\$30,000,000 by the issuance of promissory notes (“PN2”) in favour of the Holders and with a maturity date falling on the last business day of the period of eighteen calendar months after the issuance of promissory notes;
 - (d) the balance of HK\$30,000,000 to be satisfied by the issuance by the Company of a convertible bond in favour of the Holders (“CB1”) at a conversion price of HK\$0.249 per share. In case the Holders intend to sell, transfer, assign or dispose of the CB1 or any part thereof to a third party, the Holders shall first serve a written notice to Mr. Ng, with a copy to the Company offering to sell to Mr. Ng; and

- ii) transferring and assigning a total sum of HK\$104,500,000 of the PNs in favour of Mr. Ng Man Sun (“Mr. Ng”) or such other person or entity as the Company shall nominate and the total sum of HK\$104,500,000 of the PNs was settled by issuing the convertible bonds (“CB2”) at a conversion price of HK\$0.3 per share.

The above settlement have been approved by the independent shareholders at a special general meeting of the Company held on 19 June 2018. All the PN1, PN2, CB1 and CB2 were issued on 23 July 2018.

The PN1 and PN2 are interest free and fall due on 23 April 2019 and 23 January 2020 respectively. The fair values of PN1 and PN2 at the date of issuance were approximately HK\$18,064,000 and HK\$24,083,000 respectively. The PN1 and PN2 are subsequently measured at amortised cost, using effective interest rate of 14.53% and 15.73% respectively. As at 30 September 2018, imputed interest of PN1 and PN2 were approximately HK\$476,000 and HK\$684,000 respectively and were charged to profit or loss.

15. CONVERTIBLE BONDS

The liabilities component of convertible bonds is as follows:

	30 September 2018	31 March 2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
CB1	22,670	–
CB2	94,023	–
	<hr/>	<hr/>
At the end of the period/year	116,693	–
Portion classified as current liabilities	(94,023)	–
	<hr/>	<hr/>
Non-current portion	22,670	–
	<hr/> <hr/>	<hr/> <hr/>

As mentioned in note 14 above, the Company issued CB1 and CB2 to settle part of the PNs.

CB1

The principal amount of CB1 is HK\$30,000,000. The holders of the CB1 will be able to convert the outstanding principal amount in whole or in part (in multiples of HK\$1,000,000) into ordinary shares of the Company at a conversion price of HK\$0.249 per conversion share (subject to be customary anti-dilutive adjustments) until the maturity date (i.e. 23 October 2020). The Company has an option to early redeem the CB1 at an amount equal to 100% of the principal amount any time since the issue date but before the maturity date. The CB1 is not interest bearing.

The CB1 is determined to be a compound financial instrument with a conversion option, that will or may be settled by an exchange of a fixed number of ordinary shares of the Company for a fixed amount of cash, being treated as equity. The liability components include host debt component (being the Company’s obligation to pay the principal amount of the CB1 on maturity date if the CB1 is not converted or redeemed).

On initial recognition of the CB1, the equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. The value of the early redemption option embedded in the CB1 other than the equity component (i.e. the conversion option) is included in the liability component. Accordingly, on initial recognition, the Group first determines the carrying amount of the liability component by measuring the fair value of a similar liability that does not have an associated equity component. The carrying amount of the equity instrument is then determined by deducting the fair value of the financial liability from the fair value of the CB1 as a whole. The fair value of the liability component was calculated using a discounted cash flow approach. The key unobservable input of the valuation is the discount rate adopted of 14.34%. At subsequent reporting dates, the liability component (that does not include the early redemption option) is carried at amortised cost with an effective interest rate of 14.34%.

Movements of the carrying amount of the liability component of the CB1 are as follows:

	30 September 2018 HK\$'000 (Unaudited)	31 March 2018 HK\$'000 (Audited)
At the beginning of the period/year	–	–
Measured at fair value on initial recognition	36,415	–
Less: equity component (being the conversion option)	(14,320)	–
	<hr/>	<hr/>
The liability component	22,095	–
Interest expense (base on effective interest)	575	–
	<hr/>	<hr/>
At the end of the period/year	22,670	–
	<hr/> <hr/>	<hr/> <hr/>

CB2

The principal amount of CB2 is HK\$104,500,000. The holder of the CB2 will be able to convert the outstanding principal amount in whole or in part (in multiples of HK\$1,000,000) into ordinary shares of the Company at a conversion price of HK\$0.3 per conversion share (subject to be customary anti-dilutive adjustments) until the maturity date (i.e. 23 July 2019). The Company has an option to early redeem the CB2 at an amount equal to 100% of the principal amount any time since the issue date but before the maturity date. The CB2 is not interest bearing.

The CB2 is determined to be a compound financial instrument with a conversion option, that will or may be settled by an exchange of a fixed number of ordinary shares of the Company for a fixed amount of cash, being treated as equity. The liability components include host debt component (being the Company's obligation to pay the principal amount of the CB2 on maturity date if the CB2 is not converted or redeemed).

On initial recognition of the CB2, the equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. The value of the early redemption option embedded in the CB2 other than the equity component (i.e. the conversion option) is included in the liability component. Accordingly, on initial recognition, the Group first determines the carrying amount of the liability component by measuring the fair value of a similar liability that does not have an associated equity component. The carrying amount of the equity instrument is then determined by deducting the fair value of the financial liability from the fair value of the CB2 as a whole. The fair value of the liability component was calculated using a discounted cash flow approach. The key unobservable input of the valuation is the discount rate adopted of 13.84%. At subsequent reporting dates, the liability component (that does not include the early redemption option) is carried at amortised cost with an effective interest rate of 13.84%.

Movements of the carrying amount of the liability component of the CB2 are as follows:

	30 September 2018 <i>HK\$'000</i> (Unaudited)	31 March 2018 <i>HK\$'000</i> (Audited)
At the beginning of the period/year	–	–
Measured at fair value on initial recognition	116,067	–
Less: equity component (being the conversion option)	(24,267)	–
	<hr/>	<hr/>
The liability component without the early redemption option	91,800	–
Interest expense (base on effective interest)	2,223	–
	<hr/>	<hr/>
At the end of the period/year	94,023	–
	<hr/> <hr/>	<hr/> <hr/>

MANAGEMENT DISCUSSION AND ANALYSIS

The board (the “Board”) of directors (the “Directors”) of Amax International Holdings Limited (“Amax” or the “Company”; stock code: 959) report the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 September 2018 (the “Period under Review”) (the “2018 Interim Results”). The 2018 Interim Results have been reviewed by the audit committee of the Company.

FINANCIAL REVIEW

The principal activities of the Group are investment holdings, operating the gaming business in Vanuatu and the VIP room in Cambodia, running the VIP gaming tables related operation and slot machines related operation, and the development of innovative intellectual properties and technological solutions in connection with mobile game apps development and AR/VR applications to clients. For the Period under Review, the Group had not only persistently removing the obstacles like the prolonged litigation as detailed below that hindered the development of the Company, it also started fine-tuning the business structure and strategy while further built up its establishment in Cambodia.

During the Period under Review, the financial information of Greek Mythology (as defined below) was still unavailable for the preparation of the consolidated financial statements of the Company.

The Group recorded a revenue of approximately HK\$62.3 million for the Period under Review, increasing 493.3% as compared to approximately HK\$10.5 million in the corresponding period last year. The increase in revenue was mainly attributable to the revenue derived from the VIP room business in Cambodia which commenced in December 2017. Net loss for the Period under Review was approximately HK\$21.5 million, increasing 54.7% as compared to approximately HK\$13.9 million for the corresponding period last year. The increase in loss was mainly due to the increased expenses arising from loss on settlement of promissory notes completed in July 2018, general and administrative expenses in relation to the new VIP room and AR/VR business and the interest on promissory notes and convertible bonds.

Capital Structure

As at 30 September 2018, the Company’s total number of issued shares was 891,718,039 (31 March 2018: 815,530,039) at HK\$0.20 each. The Group’s consolidated net assets totalled approximately HK\$394.3 million, representing an increase of approximately HK\$35.1 million as compared to that of approximately HK\$359.2 million as at 31 March 2018.

- (a) During the Period under Review and up to the date of this report, the Company completed one placing and top-up subscription activity, raising a total of approximately HK\$9.09 million as detailed below.

Date of placing and subscription agreement	Date of completion	Price per share HK\$	No. of shares	Net proceeds HK\$
24 July 2018	7 August 2018	0.238	39,000,000	9.09 million

Up to the date of this report, the proceeds from this placing were used for payment of the Company's general and administrative expenses and repayment of other borrowings with major items detailed below:

Date of placing and subscription agreement	24 July 2018 HK\$
Net Proceeds	<u>9.09 million</u>
Use of net proceeds	
Staff salaries and Directors' fees	0.47 million
Rental and operating expenses	0.70 million
Legal and professional fees	0.42 million
Repayment of other borrowings	<u>7.50 million</u>
Total	<u><u>9.09 million</u></u>

- (b) During the Period under Review and up to the date of this report, the Company completed one subscription activity. As at 28 August 2018, the Company was indebted to i) Chanceton Capital Partners Limited ("Chanceton Capital") an outstanding amount of HK\$3.25 million; ii) Mr. Wong Kam Wah ("Mr. Wong") an outstanding amount of HK\$2.50 million; and iii) Skyline Ace Limited ("Skyline Ace") an outstanding amount of HK\$3.25 million. On 28 August 2018, the Company with each of Chanceton Capital, Mr. Wong and Skyline Ace (collectively, the "Subscribers") entered into separate subscription agreement pursuant to which the Subscribers conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue an aggregate of 37,188,000 subscription shares at the subscription price of approximately HK\$0.242 per subscription share, in consideration of each of Chanceton Capital, Mr. Wong and Skyline Ace agreeing to waive their respective indebted amount in an aggregate sum of HK\$9 million due from the Company. The completion of the subscriptions took place on 6 September 2018 and the Company allotted and issued an aggregate of 37,188,000 subscription shares (out of which 13,429,000 subscription shares were to Chanceton Capital, 10,330,000 subscription shares were to Mr. Wong and 13,429,000 subscription shares were to Skyline Ace respectively) at approximately HK\$0.242 per subscription share.

Liquidity and Financial Resources

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

As at 30 September 2018, the Group had total assets and net assets of approximately HK\$594.1 million (31 March 2018: approximately HK\$591.8 million) and approximately HK\$394.3 million (31 March 2018: approximately HK\$359.2 million) respectively, comprising non-current assets of approximately HK\$527.4 million (31 March 2018: approximately HK\$537.2 million) and current assets of approximately HK\$66.7 million (31 March 2018: approximately HK\$54.6 million) which were financed by shareholders' funds of approximately HK\$394.3 million (31 March 2018: approximately HK\$359.2 million). The Group also had non-controlling interests of approximately HK\$53.8 million (31 March 2018: approximately HK\$53.2 million), current liabilities of approximately HK\$136.0 million (31 March 2018: approximately HK\$216.2 million) and non-current liabilities of approximately HK\$63.8 million (31 March 2018: approximately HK\$16.5 million).

The Group's gearing ratio, calculated as a ratio of debt to shareholders' equity, was approximately 51% (31 March 2018: approximately 65%).

Settlement of Prolonged Litigation

On 23 July 2018, the Group had finally resolved the dispute regarding the outstanding promissory notes of the aggregate sum of HK\$190,000,000 (the PNs) in accordance with the terms and conditions of the deeds of settlement entered among Ms. Lee Bing and Mr. Wu Weide (collectively the "Holders"), Mr. Ng Man Sun ("Mr. Ng") and the Company:

- (i) the Holders had returned the PNs to the Company for cancellation;
- (ii) a promissory note in the amount of HK\$104,500,000 had been issued in favour of Mr. Ng by the Company and such promissory note had been subsequently settled by issuing convertible bonds to Mr. Ng at a conversion price of HK\$0.3 per share;
- (iii) the remaining outstanding amount of the PNs of HK\$85,500,000 due to the Holders was settled by paying HK\$5,500,000 cash and by issuing promissory notes in the total amount of HK\$50,000,000 and a convertible bond in the amount of HK\$30,000,000 at a conversion price of 0.249 per share;
- (iv) the consent orders have been duly signed and the legal proceedings in relation to the PNs had been dismissed accordingly.

In order to secure the payment obligations by the Company to the Holders, the Company delivered an executed personal guarantee given by Mr. Ng to guarantee the payment of the Company's payment obligations under the HK\$50,000,000 promissory notes in favour of the Holders.

Further details of the abovementioned matters are set out in the circular of the Company dated 31 May 2018 and the announcement of the Company dated 23 July 2018.

The Company has now fully resolved the long disputes in connection with the PNs and can avoid incurring further legal costs to continue the legal proceedings. The Company believes that with this uncertainty possibly removed, it shall have positive effect on the financial position and net asset value of the Company.

BUSINESS REVIEW

With the efforts made in previous year, the business of the Group has come back on track during the Period under Review. It was a time when the Company had made few steps forward in eliminating the adversity while fine-tuning the business structure of the Company so that there shall be a strong foundation for the Group to capture the growth opportunities in the gaming industry in Cambodia and other ASEAN areas. The development during the Period under Review allowed the Group to further penetrate into these new markets, helping the Group to expand and grow.

Business Operation of Forenzia Enterprises Limited

The Group has acquired 60% equity interests in Forenzia Enterprises Limited in 2014, which principally operates gaming business in Vanuatu under an interactive gaming license valid for a period of 15 years from February 2014.

During the Period under Review, the volatility of the global market conditions had convinced that the Company has made an appropriate decision to proactively adjusted its positioning and adopted a more conservative strategy by reviewing and cutting the operational expenses for the business in Vanuatu since December 2016. With the objective for steady and healthy development of the Company, the Company shall maintain this conservative and prudent strategy on the business in Vanuatu while stay alert to the macro economic condition and make suitable adjustment and fine-tuning the business strategy accordingly.

Augmented reality (“AR”)/Virtual reality (“VR”) entertainment and mobile games solutions

Explicitly Grand Investments Limited (“Explicitly Grand”), a wholly-owned subsidiary of the Company, and its subsidiaries (collectively the “Explicitly Grand Group”) specialize in the AR/VR entertainment developments and apps on mobile devices platforms and also provide customized IT and design solutions for its customers which include real estate companies, retails, food and beverage, electronics, manufacturing and entertainment and theme parks in China. During the Period under Review, the Explicitly Grand Group had contributed a revenue of approximately HK\$2.8 million to the Group.

Pursuant to the supplemental agreement dated 15 August 2017 regarding acquisition of 100% of the issued share capital of Explicitly Grand Group whereby the Vendors shall undertake and guarantee to the Company that (i) the net profit after taxation of the Explicitly Grand Group and excluding extra-ordinary items, one-off items, any amounts received or written back for debt or any other provisions for the year ending 31 March 2018 will be no less than HK\$4.91 million in accordance with generally accepted accounting principles in Hong Kong (the “2018 Guaranteed Profit”); and ii) the aggregate value of the legally-binding contracts the Explicitly Grand 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 (the “2019 Guaranteed Performance”).

Based on the audited consolidated financial statements of the Explicitly Grand Group, actual profit for the financial year ended 31 March 2018 was approximately HK\$5.67 million. Therefore, the 2018 Guaranteed Profit had been fulfilled.

With regards to the 30 mobile game apps (“Mobile Game Apps”) acquired on 30 March 2017 at a consideration of HK\$27 million by issuing 60,000,000 consideration shares, during the Period under Review, the Company had intended to dispose of the Mobile Game Apps at a consideration of HK\$30 million (“Proposed Disposal”) to an independent third party but the transaction was terminated due to uncertainties arise on the fulfillment of payment obligation by the purchaser. Details of the Proposed Disposal and the termination of the Proposed Disposal are set out in the announcements of the Company dated 30 April 2018, 29 June 2018 and 31 July 2018.

Gaming Business in Cambodia

The Company has been operating a VIP Room with 13 baccarat tables in Cambodia via Victor Mind Global Limited (VMG), a wholly-owned subsidiary of the Company, since 1 December 2017. The operation of the VIP Room was outsourced to an independent operator appointed by VMG. During the Period under Review, the revenue generated from the VIP Room was approximately HK\$50.3 million.

The Company, through the VIP room operation, has gained knowledge and understanding of the gaming business in Cambodia and also in other areas in Asia Pacific region. During the Period under Review, the Company had leveraged its valuable experience to further broaden its income source. On 11 October 2018, VMG and Cheung Shing Global Travel Entertainment Limited (“CSG”), a wholly-owned company by Mr. Ng Man Sun, the Chairman and Chief Executive Officer of the Company, had entered into a service agreement (the “Service Agreement”), pursuant to which VMG shall provide technical and pre-opening services in relation to a casino in Cambodia (the “Casino”) operated by CSG, including (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.

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. As CSG is regarded as a connected person of the Company under Chapter 14A of the Listing Rules, the transactions contemplated under the Service Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. There is an annual cap of HK\$9,000,000 for the service fees payable by CSG to VMG under the Service Agreement for the year ending 31 March 2019.

The Board believes that the services rendered to CSG provide the Company with additional income source. Meanwhile, it proves that the understanding and knowledge in gaming industry in Asia Pacific Region does not only mean that business scope of the Company shall be restricted to the operation of casino. The Company can also utilize its knowledge to provide services to other casinos. During the provision of services to other casinos, the Company believes it can further build up its reputation while enhancing and updating its knowledge in the gaming industry in Asia Pacific Region, which further create a competitive edge.

Greek Mythology

The Group holds 24.8% equity interests in Greek Mythology (Macau) Entertainment Group Corporation Limited (“Greek Mythology”), which operates and manages Greek Mythology casino at Beijing Imperial Palace Hotel (formerly known as New Century Hotel) in Macau. With Greek Mythology refusing to provide the Company with valid financial information since 2012, the Group has initiated a series of legal actions to obtain the relevant annual accounts and requesting the repayment of the outstanding amount due from Greek Mythology. However, Greek Mythology failed to respond to such requests.

Having considered the position of Greek Mythology and according to further advice from the Macau lawyers, the Company applied to the Macau Court on 19 June 2017 for the appointment of Mr. Ng Man Sun, Chairman and Chief Executive Officer of the Company, as the administrator of Greek Mythology (the “Application”). If the court order is granted, the Company would have access to the financial information of Greek Mythology and participate in the management of Greek Mythology.

On 7 June 2018, the Company was informed by the Macau lawyer that the Macau Court had failed to summon the existing board members of Greek Mythology (the “GM Board members”) on 29 May 2018. The Macau lawyer advised that they have then submitted a request to the Macau Court for the approval for publicly publishing the corresponding summon.

On 4 October 2018, the Macau Court had approved for the publication and on 15 October 2018 and 16 October 2018 (the “Publication Date”) respectively, the Company had publicly published the summon. Within ten days upon the expiry of the notice period, which is 30 days from the Publication Date, should there be no objection for the Application, the Macau Court shall continue with the proceedings of the Application with the absence of the GM Board members.

The Board is fully aware of and has been trying all possible steps to remove the prolonged disclaimer of opinion raised by the auditors. However, the Board is also aware that such disclaimer of opinion was a result of some historical events which require significant resources and effort to resolve. The Company is continuing to consider taking all steps appropriate to resolve the Greek Mythology issues. It also closely monitors developments pertaining to this matter and will inform shareholders of any significant progress.

OUTLOOK AND PROSPECT — Dawn of a New Era

During the Period under Review, the Company had been striving hard and had succeeded to leap over the hurdles that might have dragged the feet of its business development. The Company had settled the lengthy dispute in relation to the promissory notes. It paved a smooth way for the Company to concentrate on its future business development. Nevertheless, the Company also believes that prudent actions shall be taken for sustainable development, especially when the current macro-economic situation had painted a rather uncertain and volatile picture around the world.

During the Period under Review, the Company had refined its business structure in accordance to the market situation, while grabbed hold of the opportunity to cement our position in the gaming industry in Cambodia, if not, the ASEAN. The number of visitors in Cambodia, especially the tourists from Mainland China, has been growing which is evidence that Cambodia is an evolving destination for tourism and investment. By entering into the VIP room business in Cambodia and the Service Agreement, not only did the Company successfully open new income sources with its valuable experience and knowledge in the gaming industry, but also further established its reputation in Cambodia.

Meanwhile, the Company is aware of, and shall continue to liaise with relevant professional parties including the auditors, financial advisors and legal representative, to eliminate the difficulties upfront especially on the development on Greek Mythology and, correspondingly, the disclaimer of opinion raised by the Company’s auditors. The Company and the Board shall continue to identify all possible solutions to address the disclaimer of opinion.

Appreciation

The Board would like to take this opportunity to thank the management and staff for their contributions and support, and looks forward to sharing the Group’s successes with them. It also wishes to express its gratitude to the Group’s investors and shareholders for their trust and unwavering support, and will be fully committed to delivering long-term value and optimum returns to both parties.

INTERIM DIVIDEND

The Directors did not recommend the payment of an interim dividend for the six months ended 30 September 2018 (2017: Nil).

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, United States 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

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 with 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 had no significant contingent liabilities as at 30 September 2018.

CORPORATE GOVERNANCE

The Group continues to commit itself to maintaining a high standard of corporate governance with emphases on enhancing transparency and accountability and assuring of good application of practices and procedures within the Group and enhancing performance thereby, augmenting shareholders' value and benefiting our stakeholders at large.

The Company has applied the principles of, and complied with all applicable code provisions as set out in the Corporate Governance Code (the "CG Code") in Appendix 14 to the Listing Rules throughout the Period under Review 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 the chief executive officer (the “CEO”) of the Company. The Board believes that the roles of the 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 of the Company, being all existing independent non-executive directors (“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 the 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 30 August 2018. He had arranged Ms. Ng Wai Yee, another 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. Sie Nien Che, Celia, being an INED of the Company, did not attend the AGM of the Company held on 30 August 2018 and the special general meeting of the Company held on 19 June 2018.

REVIEW OF RESULTS

The Group’s unaudited condensed consolidated interim financial statements for the six months ended 30 September 2018 and the accounting principles and practices adopted by the Group have been reviewed by the audit committee of the Company.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities during the Period under Review.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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 set out in the Model Code and its code of conduct regarding securities transactions throughout the Period Under Review.

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

Hong Kong, 29 November 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.