Amax International Holdings Limited

奧 瑪 仕 國 際 控 股 有 限 公 司*

(Formerly known as Amax Holdings Limited)

(Incorporated in Bermuda with limited liability)

(Stock Code: 959)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

The board (the "Board") of directors (the "Directors") of Amax International Holdings Limited (the "Company") (formerly known as Amax Holdings Limited) 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 2013 (the "period under review"), together with the comparative figures for the corresponding period in 2012.

* *For identification purpose only*

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2013

		Six months ended 30 September	
		2013	2012
	Note	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Turnover	5	**2,527**	2,440
Cost of sales		**(36)**	(81)
Gross profit		**2,491**	2,359
Other revenue and other net income	6	**156**	113
Selling and distribution expenses		**(755)**	(558)
General and administrative expenses		**(12,632)**	(11,885)
Loss from operations	7	**(10,740)**	(9,971)
Finance costs	8	**(5,352)**	(4,991)
Share of profit of an associate	12	**—**	—
Loss before taxation		**(16,092)**	(14,962)
Income tax	9	**—**	—
Loss for the period		**(16,092)**	(14,962)
Attributable to:			
Owners of the Company		**(15,767)**	(14,455)
Non-controlling interests		**(325)**	(507)
Loss for the period		**(16,092)**	(14,962)
		HK Cents	*HK Cents*
			(restated)
Loss per share	11		
— basic and diluted		**(7.36)**	(6.75)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2013

	Six months ended 30 September	
	2013	2012
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Loss for the period	**(16,092)**	(14,962)
Other comprehensive income/(loss) for the period		
Item that may be subsequently reclassified to profit or loss:		
Exchange differences on translation of financial statements of group entities outside Hong Kong, net of nil tax	**10**	(11)
Total comprehensive loss for the period	**(16,082)**	(14,973)
Total comprehensive loss attributable to:		
Owners of the Company	**(15,759)**	(14,463)
Non-controlling interests	**(323)**	(510)
	(16,082)	(14,973)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2013

	Note	30 September 2013 HK$'000 (Unaudited)	31 March 2013 HK$'000 (Audited)
Non-current assets			
Property, plant and equipment		**1,577**	1,620
Investment properties		**6,310**	6,310
Intangible assets		**13,296**	14,319
Interest in an associate	12	**1,191,209**	1,191,209
		1,212,392	1,213,458
Current assets			
Trade and other receivables	13	**81,273**	76,811
Cash and cash equivalents		**4,711**	1,199
		85,984	78,010
Current liabilities			
Trade and other payables	14	**(108,704)**	(108,593)
Obligation under a finance lease		**(136)**	(134)
		(108,840)	(108,727)
Net current liabilities		**(22,856)**	(30,717)
Total assets less current liabilities		**1,189,536**	1,182,741
Non-current liabilities			
Promissory notes		**(160,550)**	(155,210)
Obligation under a finance lease		**(390)**	(459)
		(160,940)	(155,669)
NET ASSETS		**1,028,596**	1,027,072
CAPITAL AND RESERVES			
Share capital		**45,647**	41,527
Reserves		**983,160**	985,890
Total equity attributable to owners of the Company		**1,028,807**	1,027,417
Non-controlling interests		**(211)**	(345)
TOTAL EQUITY		**1,028,596**	1,027,072

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2013

1. GENERAL INFORMATION

Amax International Holdings Limited (the "Company") (formerly known as Amax Holdings Limited) was incorporated and domiciled in Bermuda as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses 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 Units 5106–07, 51/F, The Center, 99 Queen's Road Central, Hong Kong.

The principal activities of the Company and its subsidiaries (together the "Group") are investment in slot machines related operation, gaming tables related operation, provision of software, hardware, transmission network and distribution of marketing service to Guangxi Welfare Lottery Issue Centre and investment holding. 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 2013.

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

The Group incurred loss of approximately HK$16,092,000 for the six months ended 30 September 2013 and had net current liabilities of approximately HK$22,856,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

In order to improve the Group's operating and financial position, the Directors have been implementing various operating and financing measures as follows:

- actively collecting outstanding debts due from an associate and other debtors;
- actively looking for potential investment opportunities;
- cost minimisation and control measures; and
- negotiating with banks and financial institutions such as financial leasing company to obtain new credit lines or financing to fulfill the operational and additional financial obligations.

The Directors are of the opinion that, taking into account of the measures as above, the Group will have sufficient working capital to meet its financial obligations as they fall due in the foreseeable future.

Accordingly, the unaudited condensed consolidated interim financial statements have been prepared on a going concern basis. Notwithstanding the above, whether the Group will be able to continue as a going concern would depend on the outcome of the above measures. Should the Group be unable to operate as a going concern, adjustment would have to be made to reduce the carrying values of the Group's assets to their recoverable amounts, to provide for financial liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The unaudited condensed consolidated interim financial statements do not include any of these adjustments.

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 2013.

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 2013, 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.

- Amendments to HKAS 1, Presentation of financial statements — Presentation of items of other comprehensive income
- HKFRS 10, Consolidated financial statements
- HKFRS 11, Joint arrangements
- HKFRS 12, Disclosure of interests in other entities
- HKFRS 13, Fair value measurement
- Revised HKAS 19, Employee benefits
- Revised HKAS 27, Separate financial statements
- Revised HKAS 28, Investments in associates and joint ventures
- HK (IFRIC)-Interpretation 20, Stripping costs in the production phase of a surface mine
- Annual improvements to HKFRSs 2009-2011 Cycle
- Amendments to HKFRS 7 — Disclosures — Offsetting financial assets and financial liabilities
- Amendments to HKFRS 10, HKFRS 11 and HKFRS 12, Consolidated financial statements, Joint arrangements and Disclosure of interests in other entities: Transition Guidance

The adoption of the new and revised HKFRSs has had no significant financial effect on these unaudited condensed consolidated interim financial statements except for below:

HKAS 1 Amendment — Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 introduced a grouping of items presented in other comprehensive income. Items that could be reclassified to profit or loss at a future point in time now have to be presented separately from items that will never be reclassified. The adoption of these amendments affected presentation only and had no impact on the Group's results of operations or financial position.

HKFRS 13 — Fair Value Measurement

HKFRS 13 establishes a single source of guidance under HKFRSs for all fair value measurements. HKFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under HKFRS when fair value is required or permitted. The adoption of this new standard had no significant effect on the Group's results of operations or financial position.

4. SEGMENT REPORTING

The executive Directors manage the Group's operations as a single business segment. The Group's operations are monitored and strategic decisions are made on the basis of operating results, consolidated assets and liabilities as reflected in the Group's unaudited condensed consolidated interim financial statements. As over 90% of the Group's turnover, results and assets are derived from a single business segment which is investment in gaming and entertainment related business, no business segment information is presented.

a) Major customers

No analysis of the Group's turnover and contribution from operations by major customers has been presented as there are no transactions with a single external customer equal to or greater than 10% of the Group's total revenues.

b) Revenue from major products and services

No analysis of the Group's major products and services has been presented as all revenue of the Group are from investments in gaming and entertainment related business.

c) **Geographical information**

The following table sets out information about the geographical location of (i) the Group's revenue from external customers; (ii) the Group's fixed assets, intangible assets and interests in associates ("specified non-current assets"). The geographical location of external customers is based on the location at which services were provided or revenue generated. The geographical location of the specified non-current assets is based on the physical location and operation of the asset, in the case of property, plant and equipment and investment properties, the location of the operation to which they are allocated in the case of intangible assets and the location of operations in the case of interest in an associate.

	Hong Kong (place of domicile)	**Macau**	**PRC**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
For the six months ended 30 September 2013 (unaudited)				
Segment revenue	—	2,400	127	2,527
Revenue from external customers	—	2,400	127	2,527
At 30 September 2013 (unaudited)				
Specified non-current assets	7,317	1,204,505	570	1,212,392
For the six months ended 30 September 2012 (unaudited)				
Segment revenue	—	2,400	40	2,440
Revenue from external customers	—	2,400	40	2,440
At 31 March 2013 (audited)				
Specified non-current assets	7,178	1,205,528	752	1,213,458

5. TURNOVER

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

		Six months ended 30 September	
		2013	2012
	Note	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Revenue from investments in gaming and entertainment related business			
— Investment in VIP gaming related operation	a	**1,800**	1,800
— Investment in slot machine related operation	b	**600**	600
— Provision of services to Guangxi Welfare Lottery Issue Centre		**127**	40
		2,527	2,440

a) Investment in VIP gaming related operation

	Six months ended 30 September	
	2013	2012
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Monthly income	**1,800**	1,800
Net contribution from gaming tables attributable to the Group	**1,800**	1,800

b) Investment in slot machine related operation

	Six months ended 30 September	
	2013	2012
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Monthly income	**600**	600

6. OTHER REVENUE AND OTHER NET INCOME

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

	Six months ended 30 September	
	2013	2012
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Other revenue		
Interest income from banks	**1**	1
Rental income	**23**	108
Sundry income	**144**	4
	168	113
Other net income		
Loss on disposal of property, plant and equipment	**(9)**	—
Net exchange losses	**(3)**	—
	(12)	—
	156	113

7. LOSS FROM OPERATIONS

Loss from operations is arrived at after charging/(crediting):

	Six months ended 30 September	
	2013	2012
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
a) Staff costs		
Salaries, wages and other benefits	**3,872**	4,578
Contributions to defined contribution retirement plans	**72**	221
	3,944	4,799
b) Other items		
Depreciation of property, plant and equipment	**373**	427
Amortisation of intangible assets	**1,023**	255
Auditor's remuneration		
— other services	**200**	239
Operation lease charges in respect of premises:		
— minimum lease payments	**1,406**	810
Gross rental income from investment properties less direct outgoings of approximately HK$1,000 (2012: HK$12,000)	**(22)**	(96)

8. FINANCE COSTS

	Six months ended 30 September	
	2013	2012
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest on promissory notes	**5,340**	4,991
Finance charges on obligations under a finance lease	**11**	—
Others	**1**	—
Total interest expense on financial liabilities not at fair value through profit or loss	**5,352**	4,991

9. INCOME TAX

No provision for Hong Kong profits tax, Macau Complementary Income Tax and People's Republic of China ("PRC") Enterprise Income Tax has been made as the companies within the Group have no assessable profits for the six months ended 30 September 2013 and 2012 in the relevant tax jurisdictions.

10. DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the six months ended 30 September 2013 (2012: Nil).

11. LOSS PER SHARE

(a) Basic loss per share

The calculation of the loss per share is based on the unaudited loss attributable to owners of the Company of approximately HK$15,767,000 (2012: HK$14,455,000) and the weighted average number of ordinary shares in issue during the period under review, calculated as follows:

	Six months ended 30 September	
	2013	2012
	'000	*'000*
		(restated)
Issued ordinary shares at 1 April	**4,152,656**	4,152,656
Effect of share consolidation	**(3,945,023)**	(3,945,023)
Weighted average number of ordinary shares at 31 March	**207,633**	207,633
Placing of Shares	**6,614**	6,614
Weighted average number of ordinary shares at 30 September	**214,247**	214,247

The weighted average number of ordinary shares of basic loss per share for both periods have been adjusted for the share consolidation during the previous financial year and placing of new shares during the period under review.

(b) Diluted loss per share

The computation of diluted loss per share does not assume the exercise of certain of the Company's outstanding share options as the exercise price of those share options is higher than the average market price for both the six months ended 30 September 2013 and 2012.

12. INTEREST IN AN ASSOCIATE

Since the unaudited consolidated interim financial information for the six months ended 30 September 2013 of Greek Mythology (as defined below) is not available, 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 30 September 2013.

13. TRADE AND OTHER RECEIVABLES

	30 September 2013 HK$'000 (Unaudited)	31 March 2013 HK$'000 (Audited)
Trade receivables from AMA International Limited	**468,294**	468,294
Less: impairment	**(468,294)**	(468,294)
	—	—
Other receivables	**28,552**	28,575
Less: impairment	**(25,300)**	(25,300)
	3,252	3,275
Due from an associate	**72,765**	70,365
Loans and receivable	**76,017**	73,640
Rental and other deposits	**1,536**	437
Prepayment	**3,720**	2,734
	81,273	76,811

Ageing analysis

The following is the ageing analysis of trade receivables as of the end of the reporting period:

	30 September 2013 HK$'000 (Unaudited)	31 March 2013 HK$'000 (Audited)
Over 1 year past due	**468,294**	468,294

14. TRADE AND OTHER PAYABLES

	30 September 2013 HK$'000 (Unaudited)	31 March 2013 HK$'000 (Audited)
Trade payables	**931**	912
Accruals and other payables	**107,617**	107,525
Due to related companies	**156**	156
Financial liabilities measured at amortised cost	**108,704**	108,593

All of the trade and other payables are expected to be settled within one year or payable on demand.

MANAGEMENT DISCUSSION AND ANALYSIS

The board (the "Board") of directors (the "Directors") of Amax International Holdings Limited (the "Company") (formerly known as Amax Holdings Limited) reports the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2013 (the "period under review"). The unaudited interim results have been reviewed by the Audit Committee of the Company.

Financial review

The Group is principally engaged in investments in gaming and entertainment related business and is well-positioned to benefit from the market recovery. However, the first six months of the financial year remained a challenging period for the Group as it was still struggling to restore normal business order from the aftermath of a series of unforeseeable and unfortunate events originated in the past few years.

During the period under review, the loss of the Group was approximately HK$16 million compared to a loss of approximately HK$15 million for the corresponding period in 2012. The loss was mainly attributable to the fact that relevant financial information of Greek Mythology (Macau) Entertainment Group Corporation Limited ("Greek Mythology", an associate of the Group which operates and manages Greek Mythology Casino and in which the Group owns 24.8% equity interest) for the period under review was not yet concluded. As a result, the aforesaid information was not incorporated in the consolidated financial statements for the period under review.

The turnover of the Group was approximately HK$2.53 million for the period under review, as compared to approximately HK$2.44 million for the corresponding period last year. During the period under review, the Group's main sources of revenue was rental incomes on gaming tables and slot machines of approximately HK$2.4 million generated by its wholly owned subsidiaries.

During the period under review, the Company had raised operating capital by way of placing of new shares and top-up placement respectively. In June 2013, the Company issued an aggregate of 9.6 million new shares at a price of HK$0.83 per share to raise approximately HK$7.9 million. In September 2013, the Company issued 11 million subscription shares at a price of HK$0.86 per share to raise approximately HK$9.5 million.

Business overview

Subsequent to the shareholders' approval at the annual general meeting ("AGM") held on 30 August 2013, the Company changed its English name from "Amax Holdings Limited" to "Amax International Holdings Limited". The Company also adopted "奧瑪仕國際控股有限公司" as its secondary name. The Group believes that the new company name refreshes the corporate image and identity of the Company and is more appropriately to describe the vision and business landscape of the Group.

Greek Mythology

The Group owns 24.8% equity interest in Greek Mythology, which currently has approximately 20 VIP gaming rooms and a gaming floor targeting the mid-range to high-end market customers from Mainland China and other Asian regions. In 2012, Greek Mythology terminated the operating rights of 40 gaming tables in Greek Mythology Casino and returned them to SJM Holdings Limited. Greek Mythology's financial performance was adversely affected.

The Group is taking every step to address this issue. It will maintain an open communication channel with Greek Mythology and will be continuing with the communication on obtaining the financial accounts.

LE-Guangxi

Through Le Rainbow China Limited ("LE-China"), the Group currently holds 75% beneficial equity interest in Nanning Inter-Joy LOTTO Information Service Co., Ltd. ("LE-Guangxi"). As a lottery related service company in cooperation with the Guangxi Welfare Lottery Issue Centre, LE-Guangxi's Guangxi operation is primarily engaged in distributing a proprietary electronic lottery sales system for its sales location providers, and self-operated lottery parlors aimed at high-end players.

Seeking merger and acquisition opportunities worldwide

The Company is actively exploring merger and acquisition ("M&A") opportunities in order to diverse its source of income and expand its gaming business.

The Company announced its intention to acquire controlling interest in Southern Ruby Limited ("Southern Ruby"), of which the Company's Chairman and Chief Executive Officer, Mr. Ng Man Sun is a substantial shareholder. The Company has been actively engaged in the potential acquisition and will report to the shareholders on the progress in due course.

Change of composition of Remuneration and Nomination Committees

During the period under review, Ms. Yeung Pui Han, Regina, who is an independent non-executive director, a member of Audit Committee and Nomination Committee, was appointed as a member and the chairman of Remuneration Committee on 11 April 2013.

In addition, Ms. Sie Nien Che, Celia, who is an independent non-executive director and a member of Audit Committee, was appointed as a member of Nomination Committee and Remuneration Committee on 11 April 2013.

Currently, Mr. Ng Man Sun, Ms. Ng Wai Yee, Mr. Li Chi Fai, Ms. Yeung Pui Han, Regina and Ms. Sie Nien Che, Celia are the members of the Board. The Board is confident that its Directors will continue to work towards a common goal and vision for the best interest of the Group and its shareholders.

Prospects and outlook

Leveraging its extensive experience in the gaming and entertainment industry, the Group will seek to branch out its gaming and entertainment investments beyond Macau. Looking forward, a major focus of the Group will be to explore M&A opportunities worldwide through Southern Ruby.

The Company's strategy is to develop itself into an investment holding company with multiple stable income sources. It will seek to diversify its investment portfolio when it identifies good business opportunities that can be turned into new growth drivers and bring fruitful returns to its investors and shareholders.

The Group fully understands the impact of the events occurred in the past years. After the major interruption to its business last year, the Group will not underestimate the challenges in restoring a normal business status. However, the Group is all ready to invest resources to bring the business back to a profitable position. The Group looks forward to its shareholders' trust and continued support.

Appreciation

The Board would like to take this opportunity to thank the management and staff for their continued contribution to and support for the Group. We are confident that the Group will sail through the rough times and embark on a new journey with its employees and shareholders.

INTERIM DIVIDEND

The Directors did not recommend the payment of any interim dividend for the six months ended 30 September 2013 (2012: nil).

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 fund raising activities.

As at 30 September 2013, the Group had total assets and net assets of approximately HK$1,298 million (31 March 2013: approximately HK$1,291 million) and approximately HK$1,029 million (31 March 2013: approximately HK$1,027 million) respectively, comprising non-current assets of approximately HK$1,212 million (31 March 2013: approximately HK$1,213 million) and current assets of approximately HK$86 million (31 March 2013: approximately HK$78 million) which were financed by shareholders' funds of approximately HK$1,029 million (31 March 2013: approximately HK$1,027 million), non-controlling interests of approximately HK$0.21 million (31 March 2013: approximately HK$0.35 million), current liabilities of approximately HK$109 million (31 March 2013: approximately HK$109 million) and non-current liabilities of approximately HK$161 million (31 March 2013: approximately HK$156 million).

The Group's current ratio, expressed as current assets over current liabilities, was 0.79 times (31 March 2013: 0.72 times). The Group's gearing ratio, calculated as a ratio of debt (including promissory note) to shareholders' equity, was approximately 26% (31 March 2013: approximately 26%).

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

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 an approved Mandatory Provident Fund ("MPF") scheme in Hong Kong and similar scheme for eligible employees in Macau, and provides employees with medical insurance coverage. A share option scheme is in place to reward individual employees and their contribution to the success of the Group based on the performance of the Group.

CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 30 September 2013.

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.

Under code provision A.2.1 of the CG Code, 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 of the Board and the Chief Executive Officer of the Company. The Board believes that the roles of the Chairman and the Chief Executive Officer performed by Mr. Ng Man Sun provide to the Group with strong and consistent leadership and are beneficial to the Group especially in planning and implementing 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 of the Company, is appointed for a specific term. However, all Independent Non-executive Directors of the Company are subject to retirement by rotation but eligible for re-election at least once every three years at the AGM in accordance with the Bye-laws of the Company. The Company has also received the confirmation of independence from each Independent Non-executive Director and has grounds to believe that they are independent of the Company.

Under code provision E.1.2 of the CG Code, the chairman of the board should attend the annual general meeting.

Due to other business engagements or commitments, Mr. Ng Man Sun, the Chairman of the Board, did not attend the AGM of the Company held on 30 August 2013.

Under code provision A.6.7 of the CG Code, 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 engagements or commitments, Ms. Yeung Pui Han, Regina and Ms. Sie Nien Che, Celia, being Independent Non-executive Director of the Company, did not attend the AGM of the Company held on 30 August 2013.

REVIEW OF RESULTS

The Group's unaudited condensed consolidated interim results for the six months ended 30 September 2013 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

There was no purchase, sale or redemption by the Company nor any of its subsidiaries 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 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 fully complied with the Model Code throughout the period under review.

By Order of the Board
Amax International Holdings Limited
(Formerly known as Amax Holdings Limited)
Ng Man Sun
Chairman and Chief Executive Officer

Hong Kong, 29 November 2013

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.