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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)

**DISCLOSEABLE TRANSACTION
DISPOSAL OF THE ENTIRE EQUITY INTEREST IN
LE RAINBOW WORLDWIDE LIMITED**

INTRODUCTION

On 27 May 2016 (after trading hours of the Stock Exchange), the Company and the Purchaser entered into the Agreement, pursuant to which the Company has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Share at the Consideration.

LISTING RULES IMPLICATION

As one of the applicable percentage ratios for the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the disclosure and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

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THE DISPOSAL

The Agreement

Date : 27 May 2016 (after trading hours of the Stock Exchange)

Parties : (i) the Company, being the vendor; and
(ii) ZENG, Weizhang, being the Purchaser.

The Purchaser is a merchant in the PRC. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Purchaser is an Independent Third Party.

Assets to be disposed of

Pursuant to the Agreement, the Company has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Share, being 1 ordinary share of HK\$1 each in the issued share capital of Le Rainbow, representing the entire issued share capital of Le Rainbow.

Consideration

The Consideration for the Sale Share is HK\$1,000, which will be satisfied by the Purchaser to the Company upon Completion by cash.

The Consideration was determined after arm's length negotiation between the parties with reference to (i) the unsatisfactory performance in the past years of Le Rainbow Group; and (ii) the unaudited consolidated net liabilities of Le Rainbow attributable to its owner of approximately HK\$5 million as at 30 September 2015.

Accordingly, the Directors consider that the Consideration and the terms and conditions of the Agreement are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

Conditions precedent

Completion of the Agreement is subject to and conditional on the following conditions being fulfilled or waived:

- (i) there having been no breach by the Company of any obligations, undertakings, representations and warranties under the Agreement; and
- (ii) there having been no breach by the Purchaser of any obligations, undertakings, representations and warranties under the Agreement.

Completion

Completion shall take place on or before 10 June 2016 subject to all of the conditions being fulfilled or waived (or such other date as the parties may agree in writing).

Upon Completion, Le Rainbow will cease to be a subsidiary of the Company. The financial results of Le Rainbow Group will no longer be consolidated into the Group's financial statements.

INFORMATION OF THE LE RAINBOW GROUP

Le Rainbow is an investment holding company incorporated in Hong Kong with limited liability and is wholly-owned by the Company as the date of this announcement. Le Rainbow, through its wholly-owned subsidiaries and its 42.61% investment in LE-Guangxi, is primarily engaged in the provision of software, hardware, transmission network and distribution marketing service to Guangxi Welfare Lottery Issue Centre.

Set out below is the unaudited financial information of Le Rainbow Group for each of the two financial years ended 31 March 2014 and 31 March 2015:

	For the year ended 31 March 2015 (unaudited) <i>Approx. HK\$'000</i>	For the year ended 31 March 2014 (unaudited) <i>Approx. HK\$'000</i>
Consolidated net loss after taxation attributable to owner of Le Rainbow	2,532	3,352

Le Rainbow recorded unaudited consolidated net liabilities attributable to its owner of approximately HK\$5 million as at 30 September 2015.

REASONS AND BENEFITS FOR THE DISPOSAL

The Group is principally engaged in investment holdings and investments in high-end niche gaming and entertainment related businesses.

The Directors have been continuously evaluating the current business strategies of the Group with an aim to achieve the best use of its resources and improve its overall performance and diversify investment geographically.

Given the loss-making position of Le Rainbow Group for the past two years, the Directors consider the Disposal allows the Group to exit from subsidising the non-performing business of Le Rainbow Group and create a good opportunity for the Group to restructure its strategic business position and focus its resources in pursuing development opportunities of the Group's existing businesses, *inter alia*, the Vanuatu gaming business.

Having considered the above, the Directors consider the terms of the Disposal are on normal commercial terms, fair and reasonable and the Disposal is in the interests of the Company and its Shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL

After taking into account the unaudited consolidated net liabilities of Le Rainbow attributable to its owner amounted to approximately HK\$5 million as at 30 September 2015, it is estimated that a gain of approximately HK\$5 million (before taxation) will be included in the financial results for the year ending 31 March 2017. The actual amount of the gain on the Disposal to be recognized in the consolidated financial statements of the Group will be based on the financial position of Le Rainbow Group as at the date of Completion and therefore may vary from the amount mentioned above.

USE OF PROCEEDS

It is expected that the net proceeds from the Disposal of HK\$1,000 will be used for general working capital of the Group.

LISTING RULES IMPLICATION

As one of the applicable percentage ratios for the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITION

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires.

“Agreement”	the sale and purchase agreement dated 27 May 2016 entered into between the Company and the Purchaser regarding the Disposal
“Board”	the board of Directors
“Company”	Amax International Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Completion”	completion of the Disposal
“Consideration”	the consideration of the sale and purchase of the Sale Share under the Agreement
“Director(s)”	director(s) of the Company
“Disposal”	the proposed disposal of the Sale Share pursuant to the terms of the Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	a third party independent of the Company and its connected persons
“LE-Guangxi”	Nanning Inter-Joy LOTTO Information Service Co., Ltd. (南寧樂彩互動信息服務有限公司), a company incorporated in the PRC with registered capital of HK\$16,430,000

“Le Rainbow”	Le Rainbow Worldwide Limited, a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of the Company
“Le Rainbow Group”	Le Rainbow together with its (i) 100% investment in subsidiaries; and (ii) 42.61% investment in an associate, namely LE-Guangxi
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	Main Board of the Stock Exchange (excludes the option market) operated by the Stock Exchange
“PRC”	the People’s Republic of China
“Purchaser”	ZENG, Weizhang
“Sale Share”	the 1 ordinary share of HK\$1 each of Le Rainbow legally and beneficially owned by the Company, representing the entire issued share capital of Le Rainbow as at the date of the Agreement
“Share(s)”	ordinary share(s) of HK\$0.20 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vanuatu”	the Republic of Vanuatu

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

Hong Kong, 27 May 2016

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.