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AMAX

Holdings Limited

Amax Holdings Limited

奧瑪仕控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 959)

ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2010

FINANCIAL HIGHLIGHT

- Group's share of operating profit before amortization from an associate was \$90.4 million, more than triple when compared to the prior year of \$24.0 million.
- Turnover for the Group declined significantly to HK\$5.6 million for the past financial year, compared to HK\$416 million mainly due to a loss by AMA, our Macau business partner and main source of revenue.
- Due to the large impairment loss related to the investment in junket related operations, the Group's loss for the financial year amounts to HK\$2.48 billion, compared to a profit of HK\$78 million in the prior year.

During the financial year under review, the Group was principally engaged in investment in gaming promotion and other casino related business in Macau.

The Group loss HK\$2.44 billion on revenue of \$5.6 million; this disappointing result was mainly due to AMA, our Macau business partner with whom the loan-for-profits agreement is signed, ceased to operate profitably and therefore the need to make impairment for all investment related to AMA.

The Directors of Amax Holdings Limited (the “Company”) are pleased to announce the audited consolidated results of the Company and its subsidiaries (together the “Group”) for the year ended 31 March 2010 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2010

	Note	2010 HK\$'000	2009 HK\$'000
Continuing operations:			
Turnover	4	5,551	416,094
Cost of sales		—	—
Gross profit		5,551	416,094
Fair value gain/(loss) on investment properties		140	(722)
Other revenue	4	39,091	603
Compensation income for bad and doubtful debts		400,106	—
Selling and distribution expenses		(3,365)	(1,447)
General and administrative expenses		(31,033)	(48,593)
Loss on disposal of property, plant and equipment		—	(1)
Impairment of trade receivable	21	(468,294)	—
Impairment of other receivables		(28,800)	—
Impairment of intangible assets	12	(10,433)	(7,951)
Impairment of available-for-sale financial assets		(1,778,140)	—
(Loss)/profit from operations	5	(1,875,177)	357,983
Finance costs	6	(45,376)	(59,632)
Share of loss of an associate	13	—	—
Share of operating profit		90,393	24,047
Share of amortisation of intangible assets and impairment losses of property, plant and equipment and intangible assets		(647,339)	(273,933)
		(556,946)	(249,886)
(Loss)/profit before taxation from continuing operations		(2,477,499)	48,465
Income tax	7	—	—
(Loss)/profit for the year from continuing operations		(2,477,499)	48,465
Discontinued operations:			
Profit for the year from discontinued operations	8	—	30,325
(Loss)/profit for the year		(2,477,499)	78,790
Attributable to:			
Equity owners of the Company		(2,477,499)	78,843
Minority interests		—	(53)
(Loss)/profit for the year		(2,477,499)	78,790
(Loss)/earnings per share			
From continuing and discontinued operations			
— basic	10(a)	(HK72.14 cents)	HK2.97cents
— diluted	10(b)	(HK72.14 cents)	HK2.96 cents
From continuing operations			
— basic	10(a)	(HK72.14 cents)	HK1.83 cents
— diluted	10(b)	(HK72.14 cents)	HK1.82 cents
From discontinued operations			
— basic	10(a)	nil	HK1.14 cents
— diluted	10(b)	nil	HK1.14 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2010

	2010	2009
<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
(Loss)/profit for the year	(2,477,499)	78,790
Other comprehensive (loss) for the year:		
Available-for-sale financial asset		
Decrease in fair value reserve	(195,268)	(3,014,382)
Income tax relating to components of other comprehensive (loss)	<u>—</u>	<u>—</u>
Total comprehensive (loss) for the year	<u>(2,672,767)</u>	<u>(2,935,592)</u>
Total comprehensive (loss) attributable to:		
Equity owners of the Company	(2,672,767)	(2,935,539)
Minority interests	<u>—</u>	<u>(53)</u>
	<u>(2,672,767)</u>	<u>(2,935,592)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As At 31 March 2010

		2010		2009	
	Note	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Non-current assets	11				
— Investment properties			3,530		3,390
— Other property, plant and equipment			2,298		5,040
			5,828		8,430
Intangible assets	12		7,678		19,921
Interest in an associate	13		330,876		887,822
Other financial assets	14		121,860		2,095,268
			466,242		3,011,441
Current assets					
Trade and other receivables	15	149,617		634,973	
Cash and cash equivalents		16,547		78,209	
			166,164		713,182
Current liabilities					
Trade and other payables	16	(108,048)		(140,019)	
Borrowings	17	(5,000)		(6,600)	
			(113,048)		(146,619)
Net current assets			53,116		566,563
Total assets less current liabilities			519,358		3,578,004
Non-current liabilities					
Promissory notes	18		(226,726)		(906,612)
NET ASSETS			292,632		2,671,392
CAPITAL AND RESERVES	19				
Share capital			38,060		26,589
Reserves			254,572		2,644,803
Total equity attributable to equity owners of the Company			292,632		2,671,392
Minority interests			—		—
TOTAL EQUITY			292,632		2,671,392

Notes:

1. INFORMATION OF THE COMPANY

Amax Holdings Limited (formerly known as “Amax Entertainment Holdings Limited”) (the “Company”) was incorporated and domiciled in Bermuda as an exempted company with limited liability with its shares listed on The Stock Exchange of Hong Kong Limited.

The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in investment holding and investments in gaming and entertainment related business. The Group’s manufacturing and trading of LCD products was discontinued during the year ended 31 March 2009.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. A summary of the significant accounting policies adopted by the Group is set out below.

The HKICPA has issued certain amendments and interpretations which are or have become effective. It has also issued certain new and revised HKFRSs which are first effective or available for early adoption for the current accounting period of the Group and the Company.

In the current year, the Group has where applicable applied the following amendments and interpretations (“new HKFRSs”) issued by the HKICPA which are or have become effective.

- HKFRS 8, Operating segments
- HKAS 1 (revised 2007), Presentation of financial statements
- Improvements to HKFRSs (2008)
- Amendments to HKAS 27, Consolidated and separate financial statements — cost of an investment in a subsidiary, jointly controlled entity or associate
- Amendments to HKFRS 7, Financial instruments: Disclosures — improving disclosures about financial instruments
- HKAS 23 (revised 2007), Borrowing costs
- Amendments to HKFRS 2, Share-based payment — vesting conditions and cancellations

The Group and the Company have not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs issued in 2008 ¹
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 ²
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adoption of Hong Kong Financial Reporting Standards ³
HKFRS 1 (Revised)	First-time adoption of HKFRSs ¹
HKFRS 2 (Amendments)	Group cash-settled share-based payment transactions ³
HKFRS 3 (Revised)	Business combinations ¹
HKFRS 9	Financial instruments ⁷
HKAS 24 (Revised)	Related party disclosures (Revised) ⁵
HKAS 27 (Revised)	Consolidated and separate financial statements ¹
HKAS 39 (Amendments)	Eligible hedged items ¹
HK (IFRIC)-Int 14 (Amendments)	Prepayments of and Minimum Funding Requirement ⁵
HK (IFRIC)-Int 17	Distributions of non-cash assets to owners ¹
HK (IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments ⁶
HKAS 32 (Amendment)	Classification of rights issue ⁴

¹ Effective for annual periods beginning on or after 1 July 2009

² Effective for annual periods beginning on or after 1 July 2009 or 1 January 2010, as appropriate

³ Effective for annual periods beginning on or after 1 January 2010

⁴ Effective for annual periods beginning on or after 1 February 2010

⁵ Effective for annual periods beginning on or after 1 January 2011

⁶ Effective for annual periods beginning on or after 1 July 2010

⁷ Effective for annual periods beginning on or after 1 January 2013

The Group is in the process of making an assessment of what the impact of these new and revised standards, amendments and interpretations is expected to be in the period of initial application. So far, it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 March 2010 comprise financial statements of the Group and the Group's interest in an associate.

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the entity. These financial statements are presented in Hong Kong dollar ("HKD"), rounded to the nearest thousand except for per share data. HKD is the Company's functional and presentation currency.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets are measured at their fair value as explained in the accounting policies set out below:

- investment property; and
- available-for-sale financial assets

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3. SEGMENT INFORMATION

The Group manages its businesses by divisions. On first-time adoption of HKFRS 8, operating segments and in a manner consistent with the way in which information is reported internally to the chief operating decision maker for the purposes of resource allocation and performance assessment, the Group has identified the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

Continuing operations

Investments in gaming and entertainment related business segment:

- investments in companies involving in the promotion, client development, co-ordination, operation of gaming related business and provision of technical consultancy services.

Discontinued operation:

LCD products segment:

- the manufacturing and sales of LCD and LCD modules.

(a) Segment results, assets and liabilities

In accordance with HKFRS 8, segment information disclosed in the interim financial report has been prepared in a manner consistent with the information used by the chief operating decision maker for the purposes of assessing segment performance and allocating resources between segments. In this regard, the chief operating decision maker monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible and current assets with the exception of other corporate assets. Segment liabilities include trade creditors and accruals attributable to the individual segments and borrowings managed directly by the segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The accounting policies of the reportable segments are the same as the Group's accounting policies. To arrive at reportable segment (loss)/ profit, the Group's earnings are further adjusted for items not specifically attributed to individual segment, such as directors' and auditor's remuneration and other corporate administration costs.

In addition to receiving segment information concerning reportable segment (loss)/ profit, the chief operating decision maker is provided with segment information concerning revenue, interest income and expense from cash balances and borrowings managed directly by the segments, depreciation, amortisation and impairment losses and additions to non-current segment assets used by the segments in their operations.

An analysis of the Group's reportable segment (loss)/ profit before taxation for the period by operating segment is as follows:

	<u>Continuing operations</u>	<u>Discontinued operation</u>	
	Investments in gaming and entertainment related business	LCD products	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
For the year ended 31 March 2010			
Revenue			
Revenue from external customers	<u>5,551</u>	<u>—</u>	<u>5,551</u>
Reportable segment loss before taxation (including share of profit of an associate)	<u>(2,423,672)</u>	<u>—</u>	<u>(2,423,672)</u>
At 31 March 2010			
Reportable segment assets	<u>559,295</u>	<u>—</u>	<u>559,295</u>
Reportable segment liabilities	<u>575,508</u>	<u>—</u>	<u>575,508</u>

	<u>Continuing operations</u>	<u>Discontinued operation</u>	
	Investments in gaming and entertainment related business <i>HK\$'000</i>	LCD products <i>HK\$'000</i>	Total <i>HK\$'000</i>
For the year ended 31 March 2009			
Revenue			
Revenue from external customers	<u>416,094</u>	<u>25,170</u>	<u>491,264</u>
Reportable segment profit before taxation (including share of profit of an associate)	<u>93,427</u>	<u>30,325</u>	<u>123,752</u>
At 31 March 2009			
Reportable segment assets	<u>3,676,458</u>	<u>—</u>	<u>3,676,458</u>
Reportable segment liabilities	<u>1,043,551</u>	<u>—</u>	<u>1,043,551</u>

(b) Reconciliations of reportable segment profit or loss, assets and liabilities

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
(LOSS)/ PROFIT		
Reportable segment (loss)/ profit derived from Group's external customers	(2,423,812)	123,752
Bank interest income	1	340
Other interest income	3,616	—
Depreciation and amortisation during the year	(1,706)	(1,966)
Impairment of		
— other receivables	(28,800)	—
Fair value gain/(loss) on investment properties	140	(722)
Unallocated head office and corporate expenses	<u>(26,938)</u>	<u>(39,982)</u>
 (Loss)/ profit before taxation from continuing operations and profit from discontinued operation	 <u>(2,477,499)</u>	 <u>78,790</u>
ASSETS		
Reportable segment assets	559,295	3,676,458
Unallocated head office and corporate assets	<u>73,111</u>	<u>48,165</u>
 Total assets	 <u>632,406</u>	 <u>3,724,623</u>
LIABILITIES		
Reportable segment liabilities	567,286	1,043,551
Unallocated head office and corporate liabilities	<u>8,222</u>	<u>9,680</u>
 Total liabilities	 <u>575,508</u>	 <u>1,053,231</u>

4. TURNOVER AND OTHER REVENUE

(a) An analysis of the Group's turnover and revenue is as follows:

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Continuing operations:		
Revenue from investments in gaming and entertainment related business		
— Investment in Junket related operation (<i>see note (i) below</i>)	—	409,750
— Investment in VIP gaming related operation (<i>see note (ii) below</i>)	4,759	4,481
— Investment in LIVE Baccarat system related operation (<i>see note (iii) below</i>)	—	586
— Investment in slot machine related operation (<i>see note (iv) below</i>)	<u>792</u>	<u>1,277</u>
	5,551	416,094
Discontinued operations (note 8):		
Sales of LCD products	<u>—</u>	<u>25,170</u>
	<u><u>5,551</u></u>	<u><u>441,264</u></u>

Note:

(i) **Investment in Junket related operation**

The Group, through its subsidiary, Ace High Limited (“Ace High”), invested, on 14 December 2007, in the junket related operation of AMA International Limited (“AMA”). AMA was incorporated in Macau and is holding a junket license issued by the Gaming Inspection and Coordination Bureau of the Macau Government to develop the activity of promoting games of chance and other casino games. AMA’s business is to aggregate the business of different junket collaborators in the Altira Macau Casino and receives commissions therefrom (the “Junket related operation”). With effect from 15 December 2007, Ace High receives 80% of the profits generated by AMA from the Junket related operation, in accordance with the First Profit Transfer Agreement and the Second Profit Transfer Agreement.

(a) The revenue and expenses related to the Junket related operation of AMA are summarised as follows:

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Commission from the Altira Macau Casino	2,283,645	4,598,406
Income from other promotion services	46,040	82,449
Other income	644	4,568
	2,330,329	4,685,423
Operating expenses		
Special gaming tax and funds to the Macau Government	(16,790)	(34,253)
Direct cost of promotion services	(60,380)	(107,227)
Commission to collaborators	(2,006,438)	(3,990,846)
Staff costs	(24,794)	(22,648)
Administrative expenses and others	(12,323)	(18,261)
	(2,120,725)	(4,173,235)
Contribution from junket aggregation business	209,604	512,188
Impairment for bad and doubtful debt*	(372,850)	—
Net contribution from junket aggregation business	(163,246)	512,188
Entitlement attributable to a shareholder of AMA	(41,920)	(102,438)
Impairment for bad and doubtful debt attributable to a shareholder of AMA	74,570	—
Net entitlement attributable to a shareholder of AMA	32,650	(102,438)
Net contribution attributable to the Group [#]	(130,596)	409,750

* During the year, some AMA's collaborators entered into separate agreements with the Gaming Operator. As a result, AMA no longer has business with these collaborators. AMA demanded for repayment of the loans granted for purpose of running the gaming business to these collaborators. Few collaborators entered into repayment agreements setting down the repayment schedule of loans and repaid on agreed due date.

- * Other collaborators having a total amount of HK\$372,850,000 due to AMA was impaired under the situation that:
- the collaborator was bankruptcy;
 - AMA was waiting for the result of litigation; and
 - AMA loss contact with the collaborators.

Included in the amount of loans granted to the collaborators, AMA considered that the loan of HK\$2,142,824,000 granted to one collaborator not necessary to make provision of impairment because the Guarantee given by Mr. Ng and Ms. Chen.

- # According to the First Profit Transfer Agreement, Ace High only shared the distributed profit from AMA. Since AMA did not have distributable profit for the year, no profit was shared for the year ended 31 March 2010.

(ii) Investment in VIP gaming related operation

Thousand Ocean Investments Limited, a wholly-owned subsidiary of the Company, was engaged in the investment in the high rolling gaming area (the “VIP room”) in the Greek Mythology Casino reserved exclusively for high-wagering patrons in consideration for a share of the net gaming wins from the VIP room, chip commission and fees and allowances.

	2010	2009
	HK\$'000	HK\$'000
Share of net gaming wins	30,806	12,363
Chip commission*	—	10,214
Fees and allowances*	—	2,469
	30,806	25,046
Operating expenses		
Special gaming tax and funds to the Macau Government*	—	(124)
Commission to collaborators	(24,858)	(18,858)
	(24,858)	(18,982)
Contribution from VIP gaming operation	5,948	6,064
Shared by the Greek Mythology casino	(1,189)	(1,583)
Net contribution attributable to the Group	<u>4,759</u>	<u>4,481</u>

- * Pursuant to a change of the arrangement that the operating expense not to be bore by the gaming operator and the change of the arrangement that the share of the net gaming wins from the VIP room, no chip commission income and fees and allowances income were recognised for the year ended 31 March 2010.

(iii) Investment in LIVE Baccarat system related operation

Gold Faith Development Limited, a wholly-owned subsidiary of the Company, was engaged in the investment in the provision of technical consultancy services to an independent third party in respect of the latter's electronic LIVE Baccarat system in consideration for a share of the net gaming wins from the operation of that system. The business ceased during the year ended 31 December 2009 due to the poor performance of operation.

(iv) Investment in slot machine related operation

Jadepower Limited, a wholly-owned subsidiary of the Company, was engaged in the investment in the operation of 90 (2009: 90) electronic slot machines in the Greek Mythology Casino and was entitled to a percentage of the net gaming wins from the operation.

(b) An analysis of the Group's other revenue is as follows:

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Continuing operations:		
Interest income from banks (<i>see note below</i>)	1	340
Interest income from loans to promissory note holders	3,616	—
Rental income	216	180
Sundry income	7	83
Gain on fair value upon shares issued to offset the promissory notes*	35,251	—
	39,091	603
Discontinued operations (note 8):		
Interest income from banks (<i>see note below</i>)	—	1
Sundry income	—	48
	—	49
	39,091	652

Note:

Total interest income on financial assets not at fair value through profit or loss is as follows:

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Interest income from banks:		
— continuing operations	1	340
— discontinued operations	—	1
Interest income from loans to promissory note holders	3,616	—
	3,617	341

* The amount represents the difference between the carrying amount of promissory notes being offset and the fair value of the shares issued.

5. (LOSS)/PROFIT FROM OPERATIONS

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

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
(a) Staff costs (including directors' remuneration):		
Continuing operations:		
Contributions to defined contribution retirement plans	279	552
Equity-settled share-based payment expenses	3,370	3,209
Salaries, wages and other benefits (including directors' remuneration)	12,690	18,386
	16,339	22,147
Discontinued operations:		
Contributions to defined contribution retirement plans	—	21
Salaries, wages and other benefits	—	4,509
	—	4,530
	16,339	26,677
(b) Other items:		
Continuing operations:		
Depreciation of property, plant and equipment	1,706	1,966
Amortisation of intangible assets	2,427	2,535
Auditor's remuneration		
— audit services	590	500
— other services	200	358
Operating lease charges in respect of premises:		
— minimum lease payments	3,233	3,221
Gross rental income from investment properties less direct outgoings of HK\$69,000 (2009:HK\$69,000)	(147)	(111)
Discontinued operations (note 8):		
Depreciation of property, plant and equipment	—	511
Net foreign exchange loss	—	556
Operating lease charges in respect of premises:		
— minimum lease payments	—	934
Cost of inventories	—	20,594

6. FINANCE COSTS

	2010 HK\$'000	2009 HK\$'000
Continuing operations:		
Interest on bank advances and other borrowings wholly repayable within five years	325	325
Interest on promissory note	45,051	59,307
	45,376	59,632
Discontinued operations (note 8):		
Interest on borrowings wholly repayable within five years	—	1,124
Total interest expense on financial liabilities not at fair value through profit or loss	45,376	60,756

7. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

(a) Continuing operations

(i) *Income tax in the consolidated income statement:*

No provision for Hong Kong profits tax and overseas income tax has been made as the companies comprising the continuing operations have no estimated assessable profits for the years ended 31 March 2010 and 2009.

(ii) *Reconciliation between tax expense and accounting (loss)/profit at applicable tax rates:*

	2010 HK\$'000	2009 HK\$'000
(Loss)/profit before taxation	(2,477,499)	48,465
Notional tax on (loss)/profit before taxation, calculated at the rates applicable to (loss)/ profit in the tax jurisdictions concerned	(408,787)	7,996
Tax effect of non-deductible expenses	478,515	54,784
Tax effect of non-taxable income	(72,773)	(68,903)
Tax effect of unused tax losses not recognised	3,045	6,123
Actual tax credit	—	—

(b) Discontinued operations (note 8)

No provision for Hong Kong profits tax and overseas income tax has been made as the companies comprising the discontinued operations have no estimated assessable profits during the year ended 31 March 2009.

(c) **Deferred taxation**

There was no material unprovided deferred taxation. The Group did not recognise deferred tax assets in respect of cumulative tax losses of approximately HK\$1 million (2009: HK\$89 million) at 31 March 2010 as it is not probable that future taxable profits against which tax losses can be utilised will be available in the relevant tax jurisdiction and entities. The tax losses do not expire under current tax legislation.

8. DISCONTINUED OPERATIONS

The Group's manufacturing and trading of LCD consumer products and LCD products were discontinued following the disposal of (i) the entire interests in Profit Goal Holdings Limited and its subsidiaries (the "Profit Goal Group") to an independent third party, resulting in net gain on disposal of approximately HK\$34,297,000 in the year ended 31 March 2009.

(a) The profit for the year from discontinued operations is analysed as follows:

	2009 <i>HK\$'000</i>
Loss of the discontinued operations for the year	(3,972)
Gain on disposal of the discontinued operations	<u>34,297</u>
	<u><u>30,325</u></u>

(b) The results of the discontinued operations up to the date of completion of disposal, which have been included in the consolidated income statement for the year ended 31 March 2009 were as follows:

	2009 <i>HK\$'000</i>
	<i>Note</i>
Turnover	4
Cost of sales	<u>(20,315)</u>
Gross profit	4
Other revenue	49
Selling and distribution expenses	(2,832)
General and administrative expenses	<u>(4,920)</u>
Loss from operations	5
Finance costs	6
	<u>(1,124)</u>
Loss before taxation	(3,972)
Income tax	<u>—</u>
Loss for the year	<u><u>(3,972)</u></u>

9. DIVIDENDS

2010	2009
<i>HK\$'000</i>	<i>HK\$'000</i>

Dividends payable to equity shareholders of the Company attributable to the year:
Interim dividend declared and paid: HK1.5 cent per ordinary share

<u>—</u>	<u>39,883</u>
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10. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

For continuing and discontinued operations

The calculation of basic (loss)/earnings per share is based on the (loss)/profit attributable to equity owners of the Company and the weighted average number of ordinary shares in issue during the year, calculated as follows:

(i) (Loss)/profit attributable to equity owners of the Company

2010	2009
<i>HK\$'000</i>	<i>HK\$'000</i>

Continuing operations	(2,477,499)	48,518
Discontinued operations	<u>—</u>	<u>30,325</u>
	<u>(2,477,499)</u>	<u>78,843</u>

(ii) Weighted average number of ordinary shares

2010	2009
<i>'000</i>	<i>'000</i>

Issued ordinary shares at 1 April	2,658,889	26,588,897
Effect of share consolidation	—	(23,930,008)
Effect of shares issued against promissory notes	771,475	—
Shares issued under employee share options scheme	<u>4,132</u>	<u>—</u>
Weighted average number of ordinary shares at 31 March	<u>3,434,496</u>	<u>2,658,889</u>

For continuing operations

The calculation of basic (loss)/earnings per share is based on the loss attributable to equity owners of the Company from continuing operations of HK\$2,477,499 (2009: profit of HK\$48,518,000) and the weighted average number of ordinary shares of 3,434,496,000 shares (2009: 2,658,889,000 shares) in issue during the year.

For discontinued operations

For the year ended 31 March 2010, the basic (loss)/earnings per share for discontinued operation is nil as the Company does not have any discontinued operation.

For the year ended 31 March 2009, the calculation of basic earnings per share is based on the profit attributable to equity owners of the Company from discontinued operations of HK\$30,325,000 and the weighted average number of ordinary shares of 2,658,889,000 shares in issue during the year.

(b) Diluted (loss)/earnings per share

For continuing and discontinued operations

The calculation of diluted (loss)/earnings per share is based on the loss attributable to equity owners of the Company of HK\$2,436,240,000 (2009: profit of HK\$78,843,000) and the weighted average number of ordinary shares of 2,660,194,000 shares (2009: 2,660,194,000 shares) in issued during the year calculated as follows:

Weighted average number of ordinary shares (diluted)

	2010	2009
	'000	'000
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	3,434,496	2,658,889
Effect of deemed issue of shares under the Company's share option scheme for nil consideration	<u>4,463</u>	<u>1,305</u>
Weighted average number of ordinary shares (diluted) for the purpose of diluted earnings per share	<u>3,438,959</u>	<u>2,660,194</u>

For continuing operations

For the year ended 31 March 2010, the diluted loss per share is equal to the basic loss per share as the outstanding share options were anti-dilutive.

For the year ended 31 March 2009, the calculation of diluted earnings per share is based on the profit attributable to equity owners of the Company from continuing operations of HK\$48,518,000 and the weighted average number of ordinary shares of 2,660,194,000 shares in issue during the year.

For discontinued operations

For the year ended 2010, the diluted loss per share for discontinued operation is not presented as the Company does not have any discontinued operation.

For the year ended 31 March 2009, the calculation of basic earnings per share is based on the profit attributable to equity owners of the Company from discontinued operations of HK\$30,325,000 and the weighted average number of ordinary shares of 2,660,194,000 shares in issue during the year.

The computation of diluted (loss)/earnings per share does not assume the exercise of certain of the Company's outstanding share options as the exercise price of those options is higher than the average market price for both 2010 and 2009.

11. NON-CURRENT ASSETS

	Leasehold improvements <i>HK\$'000</i>	Plant and machinery, furniture and equipments and motor vehicles <i>HK\$'000</i>	Sub- total <i>HK\$'000</i>	Investment properties <i>HK\$'000</i>	Total non-current assets <i>HK\$'000</i>	Assets of disposal group classified as held for sale <i>HK\$'000</i>
Cost or valuation:						
At 1 April 2008	3,959	3,875	7,834	4,112	11,946	132,182
Additions	213	905	1,118	—	1,118	198
Disposals	—	(15)	(15)	—	(15)	—
Disposal of subsidiaries	—	—	—	—	—	(132,380)
Fair value adjustment	—	—	—	(722)	(722)	—
At 31 March 2009	4,172	4,765	8,937	3,390	12,327	—
Representing:						
Cost	4,172	4,765	8,937	—	8,937	—
Valuation — 2009	—	—	—	3,390	3,390	—
	<u>4,172</u>	<u>4,765</u>	<u>8,937</u>	<u>3,390</u>	<u>12,327</u>	<u>—</u>
At 1 April 2009	4,172	4,765	8,937	3,390	12,327	—
Additions	45	5	50	—	50	—
Disposals	(888)	(753)	(1,641)	—	(1,641)	—
Fair value adjustment	—	—	—	140	140	—
At 31 March 2010	3,329	4,017	7,346	3,530	10,876	—
Representing:						
Cost	3,329	4,017	7,346	—	7,346	—
Valuation — 2010	—	—	—	3,530	3,530	—
	<u>3,329</u>	<u>4,017</u>	<u>7,346</u>	<u>3,530</u>	<u>10,876</u>	<u>—</u>
Depreciation and impairment:						
At 1 April 2008	1,143	791	1,934	—	1,934	130,470
Charge for the year	1,051	915	1,966	—	1,966	511
Write back on disposals	—	(3)	(3)	—	(3)	—
Disposal of subsidiaries	—	—	—	—	—	(130,981)
At 31 March 2009	2,194	1,703	3,897	—	3,897	—
At 1 April 2009	2,194	1,703	3,897	—	3,897	—
Charge for the year	786	920	1,706	—	1,706	—
Write back on disposals	(319)	(236)	(555)	—	(555)	—
At 31 March 2010	1,601	—	3,370	—	3,370	—
Net carrying value:						
At 31 March 2010	<u>667</u>	<u>1,476</u>	<u>2,143</u>	<u>3,530</u>	<u>5,673</u>	<u>—</u>
At 31 March 2009	<u>1,977</u>	<u>2,754</u>	<u>4,731</u>	<u>3,390</u>	<u>8,121</u>	<u>—</u>

12. INTANGIBLE ASSETS

	Rights in sharing of profit streams for		
	VIP gaming related operation	Slot machine operation	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Cost:			
At 1 April 2008, 31 March 2009, 1 April 2009 and 31 March 2010	<u>20,000</u>	<u>47,992</u>	<u>67,992</u>
Amortisation and impairment:			
At 1 April 2008	1,541	36,044	37,585
Impairment loss	3,708	4,243	7,951
Charge for the year	<u>1,537</u>	<u>998</u>	<u>2,535</u>
At 31 March 2009 and 1 April 2009	6,786	41,285	48,071
Impairment loss	4,336	6,097	10,433
Charge for the year	<u>1,200</u>	<u>610</u>	<u>1,810</u>
At 31 March 2010	<u>12,322</u>	<u>47,992</u>	<u>60,314</u>
Net carrying value:			
At 31 March 2010	<u><u>7,678</u></u>	<u><u>—</u></u>	<u><u>7,678</u></u>
At 31 March 2009	<u><u>13,214</u></u>	<u><u>6,707</u></u>	<u><u>19,921</u></u>

The intangible assets represent the rights in sharing the net gaming wins, chip commission and fees and allowance (“Profit Streams”) from VIP gaming related operation and slot machine operation in the Greek Mythology Casino in Macau for 14 years starting from 16 February 2007. Such intangible assets are carried at cost less accumulated amortisation and impairment losses.

During the year ended 31 March 2010, in view of the past performance and keen market competition, the Group reviews internal and external sources of information in respect of the rights in sharing of Profit Streams at 31 March 2010 to identify indications that the above intangible assets may be further impaired. As a result, the Group re-assesses the recoverable amount of those intangible assets.

The recoverable amounts of the above intangible asset are determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by the management covering a four-year period, and cash flows for the following six years (2009: seven years) are extrapolated using the estimated rates stated below.

Key assumptions used for value-in-use calculations:

For the year ended 31 March 2010

	Rights in sharing of profit streams	
	VIP gaming related operation %	Slot machine operation %
— Growth in revenue year-on-year	6	0
— Discount rate	18.1	18.1

For the year ended 31 March 2009

	Rights in sharing of profit streams	
	VIP gaming related operation %	Slot machine operation %
— Growth in revenue year-on-year	3.0 - 8.0	3.0 - 7.0
— Discount rate	14.9	14.9

The growth in revenue is based on past performance and management's expectations of market development. The discount rate reflects the specific risks relating to Macau's casino gaming industry.

The above value-in-use calculations as at 31 March 2010 and 2009 were carried out by an independent professional valuer, Grant Sherman Appraisal Limited who has recent experience in the category of intangible assets being valued.

Based on the above assessments, the carrying amounts of the rights in sharing of profit streams for VIP gaming related operation and slot machine operation are greater than their recoverable amounts and the management considered that impairment losses of approximately HK\$4,336,000 and HK\$6,097,000 respectively (2009: HK\$3,708,000 and HK\$4,243,000 respectively) are necessary and are recognised in the consolidated income statement for the year ended 31 March 2010.

13. INTEREST IN AN ASSOCIATE

2010
HK\$'000

2009
HK\$'000

Share of net assets 330,876 887,822

(a) The followings are the particulars of the associate of the Group, which is an unlisted limited liability company:

Name of associate	Place of incorporation and operation	Particulars of issued and paid up capital	Group's effective interest	Held by the Company	Principal activities
Greek Mythology (Macau) Entertainment Group Corporation Limited ("Greek Mythology")	Macau	2,412 ordinary shares of MOP 1,000 each	49.9%	49.9%	Gaming and entertainment related business

(b) Summary financial information of the associate

	At 31 March 2010			Year ended 31 March 2010				
	Total assets HK\$'000	Total liabilities HK\$'000	Total equity HK\$'000	Revenue HK\$'000	Operating profit HK\$'000	Amortisation of intangible assets HK\$'000	Impairment of property, plant and equipment and intangible assets HK\$'000	Net loss HK\$'000
100 per cent	1,444,174	781,096	663,078	307,051	181,149	(124,559)	(1,172,716)	(1,110,124)
Group's effective interest	<u>720,643</u>	<u>389,767</u>	<u>330,876</u>	<u>153,218</u>	<u>90,393</u>	<u>(62,154)</u>	<u>(585,185)</u>	<u>(556,946)</u>
	At 31 March 2009			Year ended 31 March 2009				
	Total assets HK\$'000	Total liabilities HK\$'000	Total equity HK\$'000	Revenue HK\$'000	Operating profit HK\$'000	Amortisation of intangible assets HK\$'000	Impairment of property, plant and equipment and intangible assets HK\$'000	Net loss HK\$'000
100 per cent	2,534,428	755,226	1,779,202	163,831	48,191	(155,184)	(393,782)	(500,775)
Group's effective interest	<u>1,264,680</u>	<u>376,858</u>	<u>887,822</u>	<u>81,752</u>	<u>24,047</u>	<u>(77,436)</u>	<u>(196,497)</u>	<u>(249,886)</u>

14. OTHER FINANCIAL ASSETS

Available-for-sale financial asset

The fair value of available-for-sale financial asset as at 31 March 2010 was measured using the value-in-use calculations by an individual professional valuer, Grant Sherman.

Based on the assessment, the directors of the Company are the opinion that the impairment loss of HK\$1,778,140,000 should be made for the year ended 31 March 2010.

	The Group	
	2010	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>
Available-for-sale financial asset	2,095,268	2,095,268
Less: Impairment loss		
— through income statement	1,549,018	—
— through statement of comprehensive income	(195,268)	—
	1,744,286	—
	350,982	2,095,268

15. TRADE AND OTHER RECEIVABLES

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

	2010	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current	—	603,369
Amount past due over 12 months	30,000	—
	30,000	603,369

16. TRADE AND OTHER PAYABLES

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

	2010	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>
After 3 months	853	1,653

17. BORROWINGS

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Other loans from independent third parties, unsecured		
— bearing interest at 6.5% per annum and repayable on demand	5,000	5,000
— non-interest-bearing and repayable on demand	<u>—</u>	<u>1,600</u>
Current portion	<u><u>5,000</u></u>	<u><u>6,600</u></u>

18. PROMISSORY NOTES

In 2006, the Company issued promissory notes to directors of an associate and certain independent third parties as part of the consideration for the acquisition of that associate.

The promissory notes are unsecured, non-interest-bearing and repayable on 27 March 2016, being the tenth anniversary of the date of issue of the promissory notes.

Interest expense on promissory notes is calculated using the effective interest method by applying the effective interest rate of 7% per annum to the fair value of the promissory notes and is deducted from the carrying value of the promissory notes and charged to consolidated income statement.

19. DISCLAIMER OF OPINION: DISCLAIMER ON VIEW GIVEN BY THE FINANCIAL STATEMENTS

Because of the significance of the effects of the limitations in evidence made available to us as set out in the basis for disclaimer of opinion section, we do not express an opinion on the consolidated financial statements as to whether they give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2010 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and as to whether the consolidated financial statements have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

20. EMPHASIS OF MATTER

Without qualifying our opinion, we draw attention to note 2(b) to the consolidated financial statements which indicate that the Group incurred total comprehensive loss attributable to equity owners of the Company of approximately HK\$2,672,267,000 for the year ended 31 March 2010 and the Company's current liabilities exceeded its current assets by approximately HK\$38,381,000 as at 31 March 2010. Notwithstanding the above, the consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the success of the measures as stated in note 2(b) for the Group, to obtain settlement of trade receivables, the continuing financial support from an associate and the attainment by the Group and the Company of profitable operations and positive cash flows. These conditions, along with other matters as set forth in note 2(b), indicate the existence of an uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as a going concern.

19. CAPITAL AND RESERVES

Attributable to equity owners of the Company

	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000	Contributed surplus HK\$'000	Capital reserve HK\$'000	Fair value reserve HK\$'000	Retained profits/losses (accumulated) HK\$'000	Amounts recognised directly in equity relating to disposal groups classified as held for sale HK\$'000	Total HK\$'000	Minority interests HK\$'000	Total HK\$'000
At 1 April 2008	26,589	3,768,399	(22,470)	—	6,872	3,209,650	(1,314,995)	(30,440)	5,643,605	53	5,643,658
Cancellation of share premium	—	(3,768,399)	—	2,219,909	—	—	1,548,490	—	—	—	—
Share options forfeited during the year	—	—	—	—	(2,779)	—	2,779	—	—	—	—
Dividend — 2009 interim	—	—	—	(39,883)	—	—	—	—	(39,883)	—	(39,883)
Equity-settled share-based transaction	—	—	—	—	3,209	—	—	—	3,209	—	3,209
Transfer upon disposal of subsidiaries	—	—	—	—	—	—	(115)	115	—	—	—
Profit for the year	—	—	—	—	—	—	48,518	30,325	78,843	(53)	78,790
Other comprehensive (loss)	—	—	—	—	—	(3,014,382)	—	—	(3,014,382)	—	(3,014,382)
Total comprehensive income/(loss) for the year	—	—	—	—	—	(3,014,382)	48,518	30,325	(2,935,539)	(53)	(2,935,592)
At 31 March 2009 and 1 April 2009	26,589	—	(22,470)	2,180,026	7,302	195,268	284,677	—	2,671,392	—	2,671,392
Shares issued against the promissory notes	11,400	278,180	—	—	—	—	—	—	289,580	—	289,580
Shares issued under employee share options scheme	71	1,452	—	—	(466)	—	—	—	1,057	—	1,057
Equity-settled share-based transaction	—	—	—	—	3,370	—	—	—	3,370	—	3,370
Share options forfeited during the year	—	—	—	—	(501)	—	501	—	—	—	—
Loss for the year	—	—	—	—	—	—	(2,477,499)	—	(2,477,499)	—	(2,477,499)
Other comprehensive (loss)	—	—	—	—	—	(195,268)	—	—	(195,268)	—	(195,268)
Total comprehensive (loss) for the year	—	—	—	—	—	(195,268)	(2,477,499)	—	(2,672,767)	—	(2,672,767)
At 31 March 2010	38,060	279,632	(22,470)	2,180,026	9,705	—	(2,192,321)	—	2,923,632	—	2,923,632

SIGNIFICANT EVENTS AND DEVELOPMENT

2009/10 was a challenging year for the Group and its Macau business partners. Despite the economic recovery, more specifically the Macau gaming industry performance, the Group did not experience the swift recovery in business performance as expected. This is mainly due to the unique business model of the Group and its Macau business partner, AMA. As the biggest junket aggregator at the time of inception, the loan-for-profit business model benefits from the difference in commission received and paid-out by AMA; however, the unforeseen changes in regulatory environment, namely the 1.25% commission cap enacted by the Macau government late 2009, proved to be detrimental to the existing business model of AMA.

The failure AMA, and the subsequent termination of contract with the Macau entity was in part due to AMA's collaborators circumventing the original cooperation model and directly entered into separate agreements with the Gaming Operator. Furthermore, as the AMA's collaborators cease to cooperate with AMA, some refused to schedule the repayment time and have not yet settle the debts. Therefore the impairment for dubious debt overshadowed the HK\$2 Billion revenue received by AMA during the financial year.

FINANCIAL REVIEW

- Group's share of operating profit before amortization from an associate was \$90.4 million, more than triple when compared to the prior year of \$24.0 million.
- Turnover for the Group declined significantly to HK\$5.6 million for the past financial year, compared to HK\$416 million mainly due to a loss by AMA, our Macau business partner and main source of revenue.
- Due to the large impairment loss related to the investment in junket related operations, the Group's loss for the financial year amounts to HK\$2.48 billion, compared to a profit of HK\$78 million in the prior year.

During the financial year under review, the Group was principally engaged in investment in gaming promotion and other casino related business in Macau.

The Group loss HK\$2.48 billion on revenue of \$5.6 million; this disappointing result was mainly due to AMA, our Macau business partner with whom the loan-for-profits agreement is signed, ceased to operate profitably and therefore the need to make impairment for all investment related to AMA.

BUSINESS REVIEW AND PROSPECTS

During the financial year under review, the Group made principal investments in the following areas:

Greek Mythology Casino

The Group owns 49.9% of equity stake in Greek Mythology Casino, which has approximately 105 mass market tables. Greek Mythology is accounted for as an associated company of the Group.

During the financial year ended 31 March 2010, the Group's share of operating profit before impairment charges of tangible and intangible assets of Greek Mythology Casino for the year ended 31 March 2010 was HK\$90.4 million (2009: HK\$24.0 million). The Group's share of profit in Greek Mythology Casino for the financial year ended 31 March 2010 was HK\$21.6 million, a turn-around from a loss of HK\$250 million a year ago.

Greek Mythology Casino is primarily a mass market casino and its results reflects that the overall improvement in the Macau gaming industry. However, at a less favorable location and relatively small and of a less fancy design when compared with the new giant casinos of different themes, the casino has not benefited fully from the market recovery, and its growth has been subpar when compared to other aforementioned casinos and the overall gaming revenue growth. Nevertheless, Greek Mythology will continue to serve the mass market.

Investment in VIP Gaming Related Operation and Other Gaming Related Business

The Group, through certain subsidiaries, have invested in the businesses of (i) promotion, sales and advertising, client development, coordination and operation of high rolling gaming area, and (ii) operation of electronic slot machines in Greek Mythology Casino.

During the financial year under review, the Group recorded gross revenue of HK\$5.6 million from these operations compared to HK\$6.3 million in the prior year, a 12.5% decline.

The dismal performance of these businesses is attributed to the cease of operation of the technical consultancy services in respect of electronic LIVE baccarat system; slots machine operation also declined year on year due to strong market competition and less-than-ideal casino location.

Investment in Junket Related Operation

In 2007, the Company entered into a loan-for-profit agreement with Ace High Group Limited ("Ace High"), pursuant to which the Group provided a loan of HK\$1.9 billion to Ace High which in turn on-lent the same amount to AMA. AMA aggregates business of different junket collaborators and deals directly with Altira Macau Casino to receive commissions commenced on 15 December 2007.

During the first half of the financial year, AMA's made a revenue of HK\$2.28 billion. This line of business was the greatest profit driver for the Group. However, due to unforeseen changes in the regulatory environment, namely the 1.25% commission cap enacted by the Macau government late 2009, the Group's working relationship with AMA halted when collaborators under AMA signed directly with gaming operator and therefore no longer profits from the original business model.

Deterioration of the Group's investment in junket related operation has lead to the impairment loss recorded in this financial year, amounting to HK\$2.69 billion. This line of business is still in the process of restructuring and continuous efforts to recuperate any outstanding loans owed to the Group.

OUTLOOK

The Group is undergoing internal restructuring prompted by the sudden collapse in the junket related business investment. Despite these setbacks, the Company management remains determined to seek new business opportunities in the region, both inside and outside the gaming industry to redefine the Group.

Since the termination of the loan-for-profits agreement with AMA, it is the Company's plan to utilize our expertise on the behavior of high-end customers by connecting with our client base. We are also seeking appropriate opportunities to cooperate with casinos in the greater Asia-Pacific region. We foresee that the company will soon to embark on a new direction, delivering value to our shareholders.

DIVIDEND

The Board of Directors does not recommend payment of final dividend for the year ended 31 March 2010. There was no interim dividend payment during the financial year.

LIQUIDITY AND FINANCIAL RESOURCES

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

As at 31 March 2010, the Group had total assets and net assets of approximately HK\$633 million (2009: HK\$3,725) and HK\$293 million (2009: HK\$2,671) respectively which were financed by shareholders' funds of HK\$293 million (2009: HK\$2,671), current liabilities of HK\$113 million (2009: HK\$147 million) and non-current liabilities of HK\$415 million (2009: HK\$907) which are repayable in March 2016 at a face value of approximately HK\$855 million.

As at 31 March 2010, the Group's gearing ratio, calculated as a ratio of total borrowings (including promissory notes) to shareholders' funds and current ratio, calculated as current assets over current liabilities, were approximately 79% (2009: 34%), and 1.47 (2009: 4.86), respectively. During the year ended 31 March 2010, the Group recorded a net cash outflow of HK\$61 million (2009: inflow of HK\$29 million) from operating activities. As at 31 March 2010, the Group had cash and cash equivalents of HK\$17 million (2009: HK\$78 million). The Group considers that it has sufficient financial resources to meet operation and development requirements for the foreseeable future.

SHARE CAPITAL STRUCTURE

In May 2009, the Company allotted and issued 1,000,000,000 new shares of an aggregate nominal value of HK\$10 million at a subscribed price of HK\$0.4 per Share to Mr. Ng Man Sun ("Mr. Ng") pursuant to the subscription agreement was entered between the Company and Mr. Ng on 20 March 2009 and approved by shareholders of the Company on the Special General Meeting the ("SGM") held on 11 May 2009.

In July 2009, the Company allotted and issued 140,000,000 new shares each at a subscription price of HK\$0.82 per subscription share to the Subscriber, who is an independent third party to the Company pursuant to the subscription agreement and the supplemental agreement entered between the Company and the subscriber on 15 June 2009 and 17 June 2009 respectively.

The Company issued 7,100,000 shares with par value of HK\$0.01 each, including 2,600,000 shares at an exercise price of HK\$0.1332 per share and 4,500,000 shares at an exercise price of HK\$0.158 per share upon the exercise of the granted options during the period under review.

FOREIGN EXCHANGE AND CURRENCY RISKS

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

EMPLOYEES AND REMUNERATION POLICY

As at 31 March, 2010, the Group had a total of approximately 15 employees in Hong Kong and Macau. The Group is aware of the importance of human resources and is dedicated to retaining competent and talented employees by offering them competitive remuneration packages. Their salaries and bonuses are decided with reference to their duties, work experience, performance and prevailing market practices. The Group also participates in the 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 for their outstanding performance and contribution to the success of the Group

CONTINGENT LIABILITIES

The Group and the Company had no significant contingent liabilities as at 31 March 2010.

INVESTOR RELATIONS

The Group believes that maintaining active communication and operational transparency is vital to building good investor relations. During the year, its investor relations team maintained continuous communication with various investors and held meetings regularly with analysts and institutional investors from around the world. The Group will continue to actively enhance communication with shareholders and investors so as to foster the best investor relations possible.

CORPORATE GOVERNANCE

The Company has adopted, applied and complied with the Code of Corporate Governance Practices (the “Code Provision”) as set out in Appendix 14 to the Listing Rules throughout the year ended 31 March 2010 with the exception of certain deviation as further explained below:

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

Mr. Cheung Nam Chung, the Chairman of the Company held the position of Acting Chief Executive Officer from 16 March 2009 after the departure of Mr. Chan Chi Yuen as the Acting Chief Executive Officer in early February 2009 and from 10 June 2010 after the departure of Mr. Li Kin Ho, Kenny as the Chief Executive Officer. During the period, the Board was identifying suitable candidate to fill in the role of Chief Executive Officer and on 6 May 2009 and on 25 June 2010, Mr. Li Kin Ho, Kenny and Mr. Wong Lee Ping were respectively appointed as the Chief Executive Officer of the Company.

Code Provision A.4.1 provides that non-executive Directors should be appointed for a specific term, and subject to re-election.

None of the existing independent non-executive Directors of the Company are appointed for a specific term. This constitutes a deviation from Code Provision A.4.1. However, all independent non-executive Directors are subject to retirement by rotation and re-election at the annual general meeting 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. As such, the Company considers that sufficient measures have been taken to ensure that the Company’s corporate governance practices are no less exacting than those in the Code Provision.

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

AUDIT COMMITTEE

The Company has an audit committee which was established for the purposes of reviewing and providing supervision over the Group’s financial reporting process and internal controls. During the year the audit committee comprises four independent non-executive Directors and one non-executive Director.

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

REMUNERATION COMMITTEE

During the year, the remuneration committee comprises two independent non-executive Directors, and one executive Director. The remuneration committee was established with specific written terms of reference, and is principally responsible for reviewing and approving remuneration package for Directors and senior management. No Director or senior management will determine his own remuneration.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as the code of conduct for securities transactions by Directors and has adopted written guidelines no less exacting than the Model Code for application to senior management and designated persons who might have access to price sensitive information of the Group. Following enquiries by the Company, all Directors confirm that they have complied with the Model Code for the year ended 31 March 2010.

For and on behalf of the Board
Amax Holdings Limited
Cheung Nam Chung
Chairman

Hong Kong, 30 July 2010

As at the date of this announcement, the Board of Directors comprises Ms. Li Wing Sze and Mr. Victor Ng being the executive Directors, Mr. Cheung Nam Chung and Mr. Lau Dicky being the Non-executive Directors and Mr. Cheng Kai Tai, Allen and Mr. Fang Ang Zhen being the independent non-executive Directors.