



For Immediate Release

## **Amax Announces 2009 Annual Results**

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### **Revenue Surges by 106% to HK\$441 Million**

### **Successfully turnaround its business to report HK\$79 Million Net Profit**

#### **Financial Highlights**

- Profit from continuing operations before impairment on intangible assets and share of associate's amortization of intangible assets and impairment of tangible and intangible assets has increased by 176% from last year's HK\$120 million to HK\$330 million
- Net profit for the year has increased to HK\$79 million from last year's net loss of HK\$1,292 million
- Dividend for the year is approximately HK\$39.88 million or about 51% of profit for the year
- Impairment charges on tangible and intangible assets for the year is HK\$204 million which comprises approximately HK\$8 million associated with intangible assets of the Group and HK\$196 million associated with share of impairment of tangible and intangible assets of Greek Mythology Casino
- Basic earnings per share and net asset value per share of the Company for the year is HK2.97 cents and HK\$1 respectively
- Successfully transformed into a pure investment company in gaming business with focus on VIP gaming promotion in Macau
- AMA continues to maintain market leadership in the VIP gaming promotion investment sector in Macau, with a total rolling chip volume of approximately HK\$342 billion for the year ended March 31, 2009

**(Hong Kong, July 20, 2009) – Amax Entertainment Holdings Limited** (“Amax” or the “Group”) (HKSE: 0959), today announced its annual results for the year ended March 31, 2009. Details of the results can be found on [www.amaxhldg.com](http://www.amaxhldg.com).

During the period, the Group's revenue surged by 106% to HK\$441 million, mainly attributable to the first full year contribution from the VIP gaming promotion investment through its 80% indirect interest in AMA International Limited (“AMA”). Net profit amounted to HK\$79 million, as compared to a loss of HK\$1,292 million over the same period in the prior year. The profit was mainly derived from the investment in junket related operation held by AMA which the Group entered in December 2007. The Group also recorded various non-cash impairment charges of HK\$204 million in relation to the intangible assets of the Group and share of impairment of tangible and intangible assets of Greek Mythology Casino. Excluding these one time, non-cash and non-operating items, the Group recorded a profit of HK\$330 million from the continuing gaming investments for the year ended March 31, 2009, representing growth of approximately 176% over the profit of HK\$120 million in the prior year.

In light of another challenging year ahead, the Board of Directors does not recommend payment of final dividend for the year under review. Together with the interim dividend of HK1.5 cents per share already paid, the proposed total dividend for the year will amount to HK1.5 cents per share (2008: Nil).

**Mr. Brian Cheung, Chairman of Amax**, said, “Amid the difficult global economy and visa restrictions imposed by the Central Government during the financial year under review, we are delighted that our gaming investment projects in Macau still reported success for the year. The Group has completed the transformation into a pure investment company in gaming related business with focus on VIP gaming promotion in Macau. As a result, encouraging results with better revenue and net profit were delivered for the year despite the challenging operating environment.”

In the past year, the investment in junket related operation held by AMA continued to maintain market leadership in the VIP gaming promotion investment sector in Macau, achieved a total rolling chip volume of approximately HK\$342 billion for the year ended March 31, 2009, which contributed to the Group’s total revenue of HK\$441 million. Operating profit also increased to HK\$512 million. The revenue was mainly attributable to AMA’s existing strong network with junket operators as well as solid partnership with Altira Casino (“Altira”, previously known as “Crown Casino”) to promote the VIP gaming. Although 2008 was a challenging year, the investment in junket related operation held by AMA still able to achieve monthly average of HK\$28.5 billion for the VIP rolling chip volume during the year ended March 31, 2009.

During the financial year ended 31 March, 2009, Greek Mythology Casino, which the Group owns a 49.9% equity stake, recorded gross revenue of HK\$164 million. Operating profit before impairment charges of tangible and intangible assets and net loss of Greek Mythology Casino was HK\$48 million and HK\$501 million respectively. The Group’s share of the loss was HK\$250 million. Turning to the Group’s VIP gaming related operation and other gaming related business investments, i.e. (i) the promotion, sales and advertising, client development, coordination and operation of the high roller gaming area; (ii) the provision of technical consultancy services in respect of electronic LIVE baccarat system; and (iii) the operation of electronic slot machines in the Greek Mythology Casino, gross revenues of HK\$6.3 million was recorded.

During the review period, the Group decided to exit from LCD manufacturing business, freeing more resources to the investment in Macau gaming projects. This business recorded turnover of approximately HK\$25 million during the review year. The disposal recorded a gain of approximately HK\$34 million.

To accelerate the Group’s competitiveness, it stepped up efforts during the year in optimizing operating structure, restructuring the Board of Directors, attracting experts from the gaming industry and professionals from various sectors including investment management, corporate finance and compliance, universities, legal and accounting to join the Group. Its aim was to help the Group improve corporate governance, enhance communication with investors, better define corporate strategies and execute corporate social responsibility initiatives more effectively.

In addition to the reformation of the Board of Directors, the Group also invited Mr. Ng Man Sun, an expert in the Macau gaming promotion industry to become the largest single shareholder and advisor of the Group. Leveraging on his wealth of gaming industry knowledge and well-established personal connection, it will allow the Group to more effectively supervise its gaming investment projects and open it to more investment opportunities with strong potential.

Looking ahead, the Group is cautiously confident of achieving a relatively stable performance in the year to come. The Group believes the gaming investment environment will continue to remain challenged as the global economic downturn still looming, visa restrictions on mainland travellers prevailing and the cap on commission unresolved.

**Mr. Kenny Li, CEO of Amax commented,** “With the stabilization of the global economy, improved credit availability and market sentiment since March 2009, we saw an improving VIP rolling chip volume in April and May 2009 by the investment in junket related operation held by AMA. Average monthly VIP rolling chip volume for the 2-month period ended 31 May, 2009 was approximately HK\$23 billion versus less than HK\$20 billion for the quarter ended 31 March, 2009. We believe the worst is over and our VIP gaming business is bottoming out. The investment in junket related operation held by AMA will continue working closely with the casino and junket partners to maintain this mutually beneficial relationship and the prominent status in the VIP gaming market in Macau.”

“2009 could be another challenging year, we will watch closely the development of the gaming market and the performance of different investment projects and adjust our investment strategies accordingly. We will also look for new investment opportunities in other regions or industries at appropriate time, with the aim of bringing satisfactory returns to shareholders. Our three key objectives are minimization of investment risks, maximization of investment long term value, and guarantee of reasonable dividends for every year.” **Mr. Cheung** concluded.

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#### **About Amax Entertainment Holdings Limited**

Listed on the Main Board of the Hong Kong Stock Exchange, Amax Entertainment Holdings Limited (“Amax”) is principally invested in the gaming and entertainment related business in Macau. Amax’s primary source of earnings is its investments from the gaming promotion operation in Macau that the Company entered in late 2007 via AMA International Limited (“AMA”) in which it has an indirect 80% effective interest. In addition, Amax has an investment in casino operation in Macau via its 49.9%-owned Greek Mythology Macau Entertainment Group Corporation Limited.

#### **About AMA International Limited (“AMA”)**

AMA is a gaming intermediary aggregating the junket business of junket operators (the “collaborators”) and refers such business to casinos. AMA receives commissions from these casinos based on VIP rolling chip turnover. It in turn pays a commission rate ranging between 0.90% and 1.21% to its collaborators.

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