

Hong Kong Exchange and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Amax Entertainment Holdings Limited

澳瑪娛樂控股有限公司*

**(To be renamed as “Amax Holdings Limited”
and adopted “奧瑪仕控股有限公司” as the secondary name)**

(Incorporated in Bermuda with limited liability)

(Stock Code: 959)

ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2009

FINANCIAL HIGHLIGHT

- 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.

The Directors of Amax Entertainment 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 2009 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2009

	Note	2009 HK\$'000	2008 HK\$'000
Continuing operations:			
Turnover	4	416,094	157,319
Cost of sales		–	(1,742)
Gross profit		416,094	155,577
Fair value loss on investment properties		(722)	–
Other revenue	4	603	1,093
Selling and distribution expenses		(1,447)	(2,088)
General and administrative expenses		(48,593)	(45,312)
Loss on disposal of property, plant and equipment		(1)	(2,469)
Impairment of intangible assets	12	(7,951)	(32,183)
Profit from operations	5	357,983	74,618
Finance costs	6	(59,632)	(55,743)
Share of loss of an associate	13		
Share of operating profit		24,047	68,841
Share of amortisation of intangible assets and impairment of property, plant and equipment and intangible assets		(273,933)	(1,385,730)
		(249,886)	(1,316,889)
Profit/(loss) before taxation from continuing operations		48,465	(1,298,014)
Income tax	7	–	7
Profit/(loss) for the year from continuing operations		48,465	(1,298,007)
Discontinued operations:			
Profit for the year from discontinued operations	8	30,325	6,307
Profit/(loss) for the year		78,790	(1,291,700)
Attributable to:			
Equity shareholders of the Company		78,843	(1,291,426)
Minority interests		(53)	(274)
Profit/(loss) for the year		78,790	(1,291,700)
Dividends	9	39,883	–
Earnings/(loss) per share			
			(Restated)
From continuing and discontinued operations			
– basic	10(a)	HK2.97 cents	HK(81.59) cents
– diluted	10(b)	HK2.96 cents	HK(81.59) cents
From continuing operations			
– basic	10(a)	HK1.82 cents	HK(81.99) cents
– diluted	10(b)	HK1.82 cents	HK(81.99) cents
From discontinued operations			
– basic	10(a)	HK1.14 cents	HK0.40 cents
– diluted	10(b)	HK1.14 cents	HK0.40 cents

CONSOLIDATED BALANCE SHEET
As at 31 March 2009

		2009		2008	
	Note	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Non-current assets	11				
– Investment properties			3,390		4,112
– Other property, plant and equipment			5,040		5,900
			<u>8,430</u>		<u>10,012</u>
Intangible assets	12		19,921		30,407
Interest in an associate	13		887,822		1,137,708
Other financial assets	14		2,095,268		5,109,650
			<u>3,011,441</u>		<u>6,287,777</u>
Current assets					
Trade and other receivables	15	634,973		194,346	
Cash and cash equivalents		78,209		91,013	
			<u>713,182</u>	<u>285,359</u>	
Assets of disposal groups classified as held for sale	16	–		15,737	
			<u>713,182</u>	<u>301,096</u>	
Current liabilities					
Trade and other payables	17	(140,019)		(41,404)	
Borrowings	18	(6,600)		(5,000)	
			<u>(146,619)</u>	<u>(46,404)</u>	
Liabilities directly associated with assets of disposal groups classified as held for sale	16	–		(46,506)	
			<u>(146,619)</u>	<u>(92,910)</u>	
Net current assets			<u>566,563</u>		<u>208,186</u>
Total assets less current liabilities			<u>3,578,004</u>		<u>6,495,963</u>
Non-current liabilities					
Borrowings	18	–		(5,000)	
Promissory notes	19	(906,612)		(847,305)	
			<u>(906,612)</u>	<u>(852,305)</u>	
NET ASSETS			<u><u>2,671,392</u></u>		<u><u>5,643,658</u></u>
CAPITAL AND RESERVES	20				
Share capital			26,589		26,589
Reserves			2,644,803		5,647,456
Amounts recognised directly in equity relating to disposal groups classified as held for sale			–		(30,440)
Total equity attributable to equity shareholders of the Company			<u>2,671,392</u>		<u>5,643,605</u>
Minority interests			–		53
TOTAL EQUITY			<u><u>2,671,392</u></u>		<u><u>5,643,658</u></u>

Notes:

1. INFORMATION OF THE COMPANY

Amax Entertainment Holdings Limited (Formerly known as “A-Max Holdings Limited” and to be renamed as “Amax Holdings Limited”) (the “Company”) was incorporated and domiciled in Bermuda as an exempted company with limited liability with its shares listed on the Main Board of The Stock Exchange of Hong Kong Limited.

Pursuant to a special resolution passed by the shareholders of the Company at a special general meeting held on 10 July 2009, the name of the Company will be changed to “Amax Holdings Limited” and adopted “奧瑪仕控股有限公司” as the secondary name. The registration process in Bermuda was completed on 13 July 2009. Subject to the registration with the Hong Kong Companies Registry and procedures with The Stock Exchange of Hong Kong Limited, the new name of the Company will be effective shortly.

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 and LCD consumer products were discontinued during the years ended 31 March 2009 and 2008 respectively.

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 HKFRSs, 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.

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.

HKAS 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC) – Int 11	HKFRS 2: Group and Treasury Share Transactions
HK(IFRIC) – Int 12	Service Concession Arrangements
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The application of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior adjustment is required.

The Group has not early applied any of the following new and revised standards, amendments or interpretations which have been issued but are not yet effective for annual periods beginning on 1 January 2009.

HKFRSs (Amendments)	Improvements to HKFRSs ¹
HKFRSs (Amendments)	Improvements to HKFRSs 2009 ⁸
HKAS 1 (Revised)	Presentation of Financial Statements ²
HKAS 23 (Revised)	Borrowing Costs ²
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ³
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligation Arising on Liquidation ²
HKAS 39 (Amendments)	Eligible hedged items ³
HKFRS 1 and HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate ²
HKFRS 1 (Revised)	First-time Adoption of Hong Kong Financial Reporting Standard ³
HKFRS 2 (Amendments)	Vesting Conditions and Cancellations ²
HKFRS 3 (Revised)	Business Combinations ³
HKFRS 7 (Amendments)	Improving Disclosure about Financial Instruments ²
HKFRS 8	Operating Segments ²
HK(IFRIC) – Int 9 & HKAS 39 (Amendments)	Embedded Derivatives ⁷
HK(IFRIC) – Int 13	Customer Loyalty Programmes ⁴
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate ²
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation ⁵
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners ³
HK(IFRIC) – Int 18	Transfers of Assets from Customers ⁶

¹ Effective for annual periods beginning on or after 1 January 2009 except for the amendments to HKFRS 5, effective for annual periods beginning on or after 1 July 2009

² Effective for annual periods beginning on or after 1 January 2009

³ Effective for annual periods beginning on or after 1 July 2009

⁴ Effective for annual periods beginning on or after 1 July 2008

⁵ Effective for annual periods beginning on or after 1 October 2008

⁶ Effective for transfers of assets from customers received on or after 1 July 2009

⁷ Effective for annual periods ending on or after 30 June 2009

⁸ Effective for annual periods beginning on or after 1 January 2009, 1 July 2009 and 1 January 2010, as appropriate

The application of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009.

HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary.

The Company's directors anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 March 2009 comprise 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 stated at their fair value as explained in the accounting policies set out below:

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

Non-current assets and disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell.

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

Segment information is presented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format because this is more relevant to the Group's internal financial reporting.

Business segments

The Group comprises the following main business 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.
LCD consumer products segment:	the manufacturing and sales of calculators and other electronic products.

(a) **Business segments**

For the year ended 31 March 2009

	Continuing operations			Discontinued operations			
	Investments in gaming and entertainment related business HK\$'000	Unallocated HK\$'000	Sub-total HK\$'000	LCD products HK\$'000	LCD consumer products HK\$'000	Sub-total HK\$'000	Total HK\$'000
Revenue	<u>416,094</u>	<u>-</u>	<u>416,094</u>	<u>25,170</u>	<u>-</u>	<u>25,170</u>	<u>441,264</u>
Results							
Segment results	400,653	-	400,653	<u>(2,848)</u>	<u>-</u>	(2,848)	397,805
Unallocated income and expenses	<u>-</u>	<u>(42,670)</u>	<u>(42,670)</u>			<u>-</u>	<u>(42,670)</u>
Profit/(loss) from operations	400,653	(42,670)	357,983			(2,848)	355,135
Finance costs	(59,632)	-	(59,632)			(1,124)	(60,756)
Share of loss of an associate	(249,886)	-	(249,886)			-	(249,886)
Gain on disposal of subsidiaries	-	-	-	34,297		34,297	34,297
Income tax	<u>-</u>	<u>-</u>	<u>-</u>			<u>-</u>	<u>-</u>
Profit/(loss) for the year	<u>91,135</u>	<u>(42,670)</u>	<u>48,465</u>			<u>30,325</u>	<u>78,790</u>

For the year ended 31 March 2008

	Continuing operations			Discontinued operations			
	Investments in gaming and entertainment related business HK\$'000	Unallocated HK\$'000	Sub-total HK\$'000	LCD products HK\$'000	LCD consumer products HK\$'000	Sub-total HK\$'000	Total HK\$'000
Revenue	<u>157,319</u>	<u>-</u>	<u>157,319</u>	<u>56,511</u>	<u>-</u>	<u>56,511</u>	<u>213,830</u>
Results							
Segment results	110,416	-	110,416	<u>(5,246)</u>	<u>(2,025)</u>	(7,271)	103,145
Unallocated income and expenses	<u>-</u>	<u>(35,798)</u>	<u>(35,798)</u>			<u>-</u>	<u>(35,798)</u>
Profit/(loss) from operations	110,416	(35,798)	74,618			(7,271)	67,347
Finance costs	(55,743)	-	(55,743)			(1,935)	(57,678)
Share of loss of an associate	(1,316,889)	-	(1,316,889)			-	(1,316,889)
Gain on disposal of subsidiaries	-	-	-		15,513	15,513	15,513
Income tax	<u>7</u>	<u>-</u>	<u>7</u>			<u>-</u>	<u>7</u>
(Loss)/profit for the year	<u>(1,262,209)</u>	<u>(35,798)</u>	<u>(1,298,007)</u>			<u>6,307</u>	<u>(1,291,700)</u>

As at 31 March 2009:

	<u>Continuing operations</u>	<u>Discontinued operations</u>			<u>Total HK\$'000</u>
	<u>Investments in gaming and entertainment related business HK\$'000</u>	<u>LCD products HK\$'000</u>	<u>LCD consumer products HK\$'000</u>	<u>Sub-total HK\$'000</u>	
Assets					
Segment assets	<u>2,788,636</u>	<u>-</u>	<u>-</u>	<u>-</u>	2,788,636
Interest in an associate	887,822				887,822
Unallocated assets					<u>48,165</u>
Total assets					<u>3,724,623</u>
Liabilities					
Segment liabilities	1,043,551	-	-	-	1,043,551
Unallocated liabilities					<u>9,680</u>
Total liabilities					<u>1,053,231</u>
Other segment information:					
Capital expenditure incurred during the year	-	198	-	198	198
Unallocated capital expenditure incurred during the year					<u>1,118</u>
					<u>1,316</u>
Depreciation and amortisation for the year	2,535	511	-	511	3,046
Unallocated depreciation and amortisation for the year					<u>1,966</u>
					<u>5,012</u>
Impairment of intangible assets	<u>3,874</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,874</u>

As at 31 March 2008:

	Continuing operations	Discontinued operations			Total <i>HK\$'000</i>
	Investments in gaming and entertainment related business <i>HK\$'000</i>	LCD products <i>HK\$'000</i>	LCD consumer products <i>HK\$'000</i>	Sub-total <i>HK\$'000</i>	
Assets					
Segment assets	<u>5,379,841</u>	<u>15,737</u>	<u>–</u>	<u>15,737</u>	5,395,578
Interest in an associate	1,137,708				1,137,708
Unallocated assets					<u>55,587</u>
Total assets					<u>6,588,873</u>
Liabilities					
Segment liabilities	<u>882,349</u>	<u>46,506</u>	<u>–</u>	<u>46,506</u>	928,855
Unallocated liabilities					<u>16,360</u>
Total liabilities					<u>945,215</u>
Other segment information:					
Capital expenditure incurred during the year	–	258	–	258	258
Unallocated capital expenditure incurred during the year					<u>8,493</u>
					<u>8,751</u>
Depreciation and amortisation for the year	5,231	1,750	1,457	3,207	8,438
Unallocated depreciation and amortisation for the year					<u>926</u>
					<u>9,364</u>
Impairment of intangible assets	<u>32,183</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>32,183</u>

(b) Geographical segments

In presenting information on the basis of the geographical segment, segment revenue is based on the geographical location of the customers. Segment assets and capital expenditure are based on the geographical location of the assets.

For the year ended 31 March 2009

	Hong Kong HK\$'000	Macau HK\$'000	The PRC (excluding Hong Kong and Macau) HK\$'000	United States HK\$'000	Malaysia HK\$'000	Japan HK\$'000	South Korea HK\$'000	Others HK\$'000	Total HK\$'000
Segment revenue									
Attributable to continuing operations	-	416,094	-	-	-	-	-	-	416,094
Attributable to discontinued operations	382	-	3,875	17,485	-	2,957	378	93	25,170
Revenue from external customers	<u>382</u>	<u>416,094</u>	<u>3,875</u>	<u>17,485</u>	<u>-</u>	<u>2,957</u>	<u>378</u>	<u>93</u>	<u>441,264</u>
Segment assets									
- Continuing operations	9,700	3,682,336	-	-	-	-	-	-	3,692,036
- Discontinued operations	-	-	-	-	-	-	-	-	-
	<u>9,700</u>	<u>3,682,336</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,692,036</u>
- Unallocated assets									<u>32,587</u>
									<u>3,724,623</u>
Segment capital expenditure									
- Continuing operations	-	-	-	-	-	-	-	-	-
- Discontinued operations	-	198	-	-	-	-	-	-	198
	<u>-</u>	<u>198</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>198</u>
- Unallocated									<u>1,118</u>
									<u>1,316</u>

For the year ended 31 March 2008

	Hong Kong HK\$'000	Macau HK\$'000	The PRC (excluding Hong Kong and Macau) HK\$'000	United States HK\$'000	Malaysia HK\$'000	Japan HK\$'000	South Korea HK\$'000	Others HK\$'000	Total HK\$'000
Segment revenue									
Attributable to continuing operations	4,260	153,059	-	-	-	-	-	-	157,319
Attributable to discontinued operations	<u>724</u>	<u>-</u>	<u>8,671</u>	<u>26,710</u>	<u>12,491</u>	<u>7,125</u>	<u>644</u>	<u>146</u>	<u>56,511</u>
Revenue from external customers	<u>4,984</u>	<u>153,059</u>	<u>8,671</u>	<u>26,710</u>	<u>12,491</u>	<u>7,125</u>	<u>644</u>	<u>146</u>	<u>213,830</u>
Segment assets									
- Continuing operations	10,545	6,511,121	-	-	-	-	-	-	6,521,666
- Discontinued operations	<u>14,761</u>	<u>-</u>	<u>976</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,737</u>
	<u>25,306</u>	<u>6,511,121</u>	<u>976</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,537,403</u>
- Unallocated assets									<u>51,470</u>
									<u>6,588,873</u>
Segment capital expenditure									
- Continuing operations	4,112	-	-	-	-	-	-	-	4,112
- Discontinued operations	<u>76</u>	<u>181</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>257</u>
	<u>4,188</u>	<u>181</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,369</u>
- Unallocated									<u>4,381</u>
									<u>8,750</u>

4. TURNOVER AND OTHER REVENUE

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

	2009 <i>HK\$'000</i>	2008 <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	131,340
– Investment in VIP gaming related operation (<i>see note (ii) below</i>)	4,481	18,195
– Investment in LIVE Baccarat system operation (<i>see note (iii) below</i>)	586	1,640
– Investment in slot machine operation (<i>see note (iv) below</i>)	1,277	1,884
	416,094	153,059
Revenue from sales of travel package	–	4,260
	416,094	157,319
Discontinued operations (note 8):		
Sales of LCD products	25,170	56,511
	441,264	213,830

Notes:

(i) Investment in Junket related operation

The Group, through its subsidiary, Ace High Group Limited (“Ace High”), invested, on 14 December 2007, in the junket related operation of AMA International Limited (“AMA”), incorporated in Macau and the holder of a junket license issued by the Gaming Inspection and Coordination Bureau of the Macau Government to develop the activity of promotion of games of chance and other casino games. AMA's business is to aggregate the business of different junket collaborators in the Altira Macau Casino (formerly known as the Crown 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.

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

	Year ended 31/3/2009 HK\$'000	Period from 15/12/2007 (date of commencement of business) to 31/3/2008 HK\$'000
Commission from the Altira Macau Casino (formerly known as the Crown Macau Casino)	4,598,406	1,877,420
Income from other promotion services	82,449	21,933
Other income	4,568	5
	<u>4,685,423</u>	<u>1,899,358</u>
Operating expenses		
Special gaming tax and funds to the Macau Government	(34,253)	(13,981)
Direct cost of promotion services	(107,227)	(26,779)
Commission to sub-junkets	(3,990,846)	(1,688,010)
Staff costs	(22,648)	(4,197)
Administrative expenses and others	(18,261)	(2,216)
	<u>(4,173,235)</u>	<u>(1,735,183)</u>
Contribution from junket aggregation business	512,188	164,175
Net entitlements attributable to a shareholder of AMA	(102,438)	(32,835)
Net contribution attributable to the Group	409,750	131,340

(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.

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Share of net gaming wins	12,363	43,300
Chip commission	10,214	61,321
Fees and allowances	2,469	18,536
	<u>25,046</u>	<u>123,157</u>
Operating expenses		
Special gaming tax and funds to the Macau Government	(124)	(852)
Commission to collaborators	(18,858)	(91,441)
	<u>(18,982)</u>	<u>(92,293)</u>
Contribution from VIP gaming operation	6,064	30,864
Shared by the Greek Mythology Gasino	(1,583)	(12,669)
Net contribution attributable to the Group	4,481	18,195

(iii) Investment in LIVE Baccarat system 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 net gaming wins from the operation of LIVE Baccarat system. The business ceased during the year due to the poor performance of operation.

(iv) Investment in slot machine operation

Jadepower Limited, a wholly-owned subsidiary of the Company, was engaged in the investment in the operation of 90 (2008: 204) electronic slot machines in the Greek Mythology Casino and was entitled to a certain percentage of the net gaming wins from the operation of 90 (2008: 204) electronic slot machines in the Greek Mythology Casino.

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

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Continuing operations:		
Interest income from banks (<i>see note below</i>)	340	964
Rental income	180	120
Sundry income	<u>83</u>	<u>9</u>
	----- 603	----- 1,093
Discontinued operations (note 8):		
Interest income from banks (<i>see note below</i>)	1	2
Sundry income	<u>48</u>	<u>68</u>
	----- 49	----- 70
	<u><u>652</u></u>	<u><u>1,163</u></u>

Note:

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

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Interest income from banks:		
– continuing operations	340	964
– discontinued operations	<u>1</u>	<u>2</u>
	<u><u>341</u></u>	<u><u>966</u></u>

5. PROFIT FROM OPERATIONS

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

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
(a) Staff costs:		
Continuing operations:		
Contributions to defined contribution retirement plans	552	243
Equity-settled share-based payment expenses	3,209	6,872
Salaries, wages and other benefits	<u>18,386</u>	<u>15,137</u>
	----- 22,147	----- 22,252
Discontinued operations (note 8):		
Contributions to defined contribution retirement plans	21	148
Salaries, wages and other benefits	<u>4,509</u>	<u>8,539</u>
	----- 4,530	----- 8,687
	<u><u>26,677</u></u>	<u><u>30,939</u></u>

(b) **Other items:**

Continuing operations:

Depreciation of property, plant and equipment	1,966	926
Amortisation of intangible assets	2,535	5,231
Forfeiture of rental deposits	–	2,881
Auditor's remuneration		
– audit services	500	600
– other services	358	290
Operating lease charges in respect of premises:		
– minimum lease payments	3,221	1,335
Gross rental income from investment properties less direct outgoings of HK\$69,000 (2008: HK\$58,000)	<u>(111)</u>	<u>(62)</u>

Discontinued operations (note 8):

Depreciation of property, plant and equipment	511	3,207
Net foreign exchange loss	556	2,613
Operating lease charges in respect of premises:		
– minimum lease payments	934	1,914
Cost of inventories	<u>20,594</u>	<u>45,935</u>

6. FINANCE COSTS

2009	2008
<i>HK\$'000</i>	<i>HK\$'000</i>

Continuing operations:

Interest on bank advances and other borrowings wholly repayable within five years	325	316
Interest on promissory note	<u>59,307</u>	<u>55,427</u>
	59,632	55,743

Discontinued operations (note 8):

Interest on borrowings wholly repayable within five years	<u>1,124</u>	<u>1,935</u>
---	--------------	--------------

Total interest expense on financial liabilities not at fair value through profit or loss

<u>60,756</u>	<u>57,678</u>
----------------------	---------------

7. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

(a) **Continuing operations**

Income tax in the consolidated income statement represents:

2009	2008
<i>HK\$'000</i>	<i>HK\$'000</i>

Current tax – Hong Kong profits tax

Over-provision in prior years	<u>–</u>	<u>(7)</u>
-------------------------------	----------	------------

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 2009 and 2008.

(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 years ended 31 March 2009 and 2008.

(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\$81 million (2008: HK\$89 million) at 31 March 2009 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; and (ii) the entire interests in A-Max Global Products Limited and its subsidiary (the "AMGP Group") to an independent third party resulting in a net gain on disposal of approximately HK\$15,513,000 in the year ended 31 March 2008.

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

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Loss of the discontinued operations for the year	(3,972)	(9,206)
Gain on disposal of the discontinued operations	<u>34,297</u>	<u>15,513</u>
	<u>30,325</u>	<u>6,307</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 years ended 31 March 2009 and 2008 were as follows:

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Turnover	25,170	56,511
Cost of sales	<u>(20,315)</u>	<u>(45,702)</u>
Gross profit	4,855	10,809
Other revenue	49	70
Selling and distribution expenses	(2,832)	(5,308)
General and administrative expenses	<u>(4,920)</u>	<u>(12,842)</u>
Loss from operations	(2,848)	(7,271)
Finance costs	<u>(1,124)</u>	<u>(1,935)</u>
Loss before taxation	(3,972)	(9,206)
Income tax	<u>—</u>	<u>—</u>
Loss for the year	<u>(3,972)</u>	<u>(9,206)</u>

9. DIVIDENDS

	2009 HK\$'000	2008 HK\$'000
Dividends payable to equity shareholders of the company attributable to the year:		
Interim dividend declared and paid: HK1.5 cent per ordinary share	<u>39,883</u>	<u>–</u>

10. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

For continuing and discontinued operations

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

(i) Profit/(loss) attributable to ordinary equity shareholders of the Company

	2009 HK\$'000	2008 HK\$'000
Continuing operations	48,518	(1,297,733)
Discontinued operations	<u>30,325</u>	<u>6,307</u>
	<u>78,843</u>	<u>(1,291,426)</u>

(ii) Weighted average number of ordinary shares

	2009 '000	2008 '000 (Restated)
Issued ordinary shares at 1 April	26,588,897	11,204,282
Effect of shares issued under the placing	–	4,623,792
Effect of share consolidation	<u>(23,930,008)</u>	<u>(14,245,267)</u>
Weighted average number of ordinary shares at 31 March	<u>2,658,889</u>	<u>1,582,807</u>

For continuing operations

The calculation of basic earnings/(loss) per share is based on the profit attributable to ordinary equity shareholders of the Company from continuing operations of HK\$48,518,000 (2008: loss of HK\$1,297,733,000) and the weighted average number of ordinary shares of 2,658,889,000 shares (2008: 1,582,807,000 shares) in issue during the year.

For discontinued operations

The calculation of basic earnings/(loss) per share is based on the profit attributable to ordinary equity shareholders of the Company from discontinued operations of HK\$30,325,000 (2008: HK\$6,307,000) and the weighted average number of ordinary shares of 2,658,889,000 shares (2008: 1,582,807,000 shares) in issue during the year.

(b) Diluted earnings/(loss) per share

For continuing and discontinued operations

The calculation of diluted earnings/(loss) per share is based on the profit attributable to ordinary equity shareholders of the Company of HK\$78,843,000 (2008: loss of HK\$1,291,426,000) and the weighted average number of ordinary shares of 2,660,194,000 shares (2008: 1,582,807,000 shares) calculated as follows:

Weighted average number of ordinary shares (diluted)

	2009	2008
	'000	'000
		(Restated)
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	2,658,889	1,582,807
Effect of deemed issue of shares under the Company's share option scheme for nil consideration	1,305	—
	<u>2,660,194</u>	<u>1,582,807</u>

For continuing operations

The calculation of basic earnings/(loss) per share is based on the profit attributable to ordinary equity shareholders of the Company from continuing operations of HK\$48,518,000 (2008: loss of HK\$1,297,733,000) and the weighted average number of ordinary shares of 2,660,194,000 shares (2008: 1,582,807,000 shares) in issue during the year.

For discontinued operations

The calculation of basic earnings/(loss) per share is based on the profit attributable to ordinary equity shareholders of the Company from discontinued operations of HK\$30,325,000 (2008: HK\$6,307,000) and the weighted average number of ordinary shares of 2,660,194,000 shares (2008: 1,582,807,000 shares) in issue during the year.

The computation of diluted earnings/(loss) 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 2009 and 2008.

11. NON-CURRENT ASSETS

	Leasehold improvements <i>HK\$'000</i>	Other non-current assets <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 groups classified as held for sale <i>HK\$'000</i>
Cost or valuation:						
At 1 April 2007	3,175	3,226	6,401	–	6,401	159,969
Additions	2,899	1,482	4,381	4,112	8,493	258
Disposals	(2,115)	(833)	(2,948)	–	(2,948)	–
Disposals of subsidiaries	–	–	–	–	–	(28,045)
At 31 March 2008	<u>3,959</u>	<u>3,875</u>	<u>7,834</u>	<u>4,112</u>	<u>11,946</u>	<u>132,182</u>
Representing:						
Cost	3,959	3,875	7,834	–	7,834	132,182
Valuation – 2008	–	–	–	4,112	4,112	–
	<u>3,959</u>	<u>3,875</u>	<u>7,834</u>	<u>4,112</u>	<u>11,946</u>	<u>132,182</u>
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)	–
Disposals of subsidiaries	–	–	–	–	–	(132,380)
Fair value adjustment	–	–	–	(722)	(722)	–
At 31 March 2009	<u>4,172</u>	<u>4,765</u>	<u>8,937</u>	<u>3,390</u>	<u>12,327</u>	<u>–</u>
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>
Depreciation and impairment:						
At 1 April 2007	816	671	1,487	–	1,487	147,007
Charge for the year	613	313	926	–	926	3,207
Written back on disposals	(286)	(193)	(479)	–	(479)	–
Disposals of subsidiaries	–	–	–	–	–	(19,744)
At 31 March 2008	<u>1,143</u>	<u>791</u>	<u>1,934</u>	<u>–</u>	<u>1,934</u>	<u>130,470</u>
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
Written back on disposals	–	(3)	(3)	–	(3)	–
Disposals of subsidiaries	–	–	–	–	–	(130,981)
At 31 March 2009	<u>2,194</u>	<u>1,703</u>	<u>3,897</u>	<u>–</u>	<u>3,897</u>	<u>–</u>
Net carrying value:						
At 31 March 2009	<u>1,978</u>	<u>3,062</u>	<u>5,040</u>	<u>3,390</u>	<u>8,430</u>	<u>–</u>
At 31 March 2008	<u>2,816</u>	<u>3,084</u>	<u>5,900</u>	<u>4,112</u>	<u>10,012</u>	<u>1,712</u>

12. INTANGIBLE ASSETS

	Rights in sharing of Profit Streams for		
	VIP gaming related operation HK\$'000	Slot machine operation HK\$'000	Total HK\$'000
Cost:			
At 1 April 2007, 31 March 2008, 1 April 2008 and 31 March 2009	20,000	47,992	67,992
Amortisation and impairment:			
At 1 April 2007	–	171	171
Impairment loss	–	32,183	32,183
Charge for the year	1,541	3,690	5,231
At 31 March 2008 and 1 April 2008	1,541	36,044	37,585
Impairment loss	3,708	4,243	7,951
Charge for the year	1,537	998	2,535
At 31 March 2009	6,786	41,285	48,071
Net carrying value:			
At 31 March 2009	13,214	6,707	19,921
At 31 March 2008	18,459	11,948	30,407

The intangible assets represents the rights in sharing of 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 amortization and impairment losses.

13. INTEREST IN AN ASSOCIATE

	2009 HK\$'000	2008 HK\$'000
Share of net assets	887,822	1,137,708

(a) The followings are the particulars of the associate of the Group, which is an unlisted corporate entity:

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 on the associate

	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 asset HK\$'000	Impairment of property, plant and equipment and intangible asset HK\$'000	Net loss HK\$'000
100 per cent	2,534,428	755,226	1,779,202	163,831	48,191	(155,184)	(389,782)	(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>
	At 31 March 2008			Year ended 31 March 2008				
	Total assets HK\$'000	Total liabilities HK\$'000	Total equity HK\$'000	Revenue HK\$'000	Operating profit HK\$'000	Amortisation of intangible asset HK\$'000	Impairment of property, plant and equipment and intangible asset HK\$'000	Net loss HK\$'000
100 per cent	3,013,441	733,465	2,279,976	263,186	137,957	(356,864)	(2,420,150)	(2,639,057)
Group's effective interest	<u>1,503,707</u>	<u>365,999</u>	<u>1,137,708</u>	<u>131,330</u>	<u>68,841</u>	<u>(178,075)</u>	<u>(1,207,655)</u>	<u>(1,316,889)</u>

14. OTHER FINANCIAL ASSETS

Available-for-sale financial asset

On 10 September 2007, Ace High, a subsidiary of the Group, entered into a loan and transfer profits agreement (the "First Profit Transfer Agreement") with AMA. Pursuant to the First Profit Transfer Agreement, the Group agreed to grant a loan facility of up to the maximum aggregate amount of HK\$3 billion for the operating capital of AMA to carry out the junket related business. In return, AMA agreed to transfer all profits (the "Profits") generated by AMA from the junket related operation under the gaming promotion agreement dated 21 August 2007 entered into, between AMA and Melco PBL Gaming (Macau) Limited (the "Gaming Operator"). The profits represent the aggregate commissions and bonuses payable by the Gaming Operator to AMA there under after deducting (a) the total commissions and bonuses payable by AMA to its collaborators under the gaming intermediary agreements entered into by AMA with its collaborators, and (b) all the relevant operational and administrative expenses incurred and tax payable to the Macau Government. On the same day, Ace High and Mr. Francisco Xavier Albino ("Mr. Albino"), a former sole shareholder of AMA, made another profit transfer agreement (the "Second Profit Transfer Agreement") whereas Ace High agreed to transfer 20% of the profits from AMA, under the First Profit Transfer Agreement, to Mr. Albino.

On 14 December 2007, Ace High provided HK\$1.9 billion loan ("Loan") under the First Profit Transfer Agreement to AMA which started its junket aggregation business on 15 December 2007.

On 29 April 2008, a supplemental agreement (the "Supplemental Agreement") was entered into between Ace High and AMA such that the term of the First Profit Transfer Agreement is fixed to three years from the date of the Supplemental Agreement and may be renewed at the discretion of Ace High thereafter. Save as disclosed herein, there are no change to the other material terms of the First and Second Profit Transfer Agreements subsequent to the Supplemental Agreement.

In the opinion of the Company's Directors, the Loan is a non-derivative financial asset and they designated it as available-for-sale upon initial recognition.

The fair value of available-for-sale financial asset as at 31 March 2009 and 2008 was measured using the value-in-use calculation by an independent professional valuer, Grant Sherman Appraisal Limited.

The valuation is based on cash flow projections derived from the recent financial budgets approved by the management for a one-year period and extrapolated cash flows beyond a one-year period based on the growth rate of 3% (2008: 8%) plus a terminal value. The rate used to discount the forecast cash flow is 18% (2008: 18%).

15. TRADE AND OTHER RECEIVABLES

Trade receivables with the following ageing analysis as of the balance sheet date:

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Current	<u><u>603,369</u></u>	<u><u>164,292</u></u>

16. DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE

The carrying amount as at 31 March 2008 of major classes of assets and liabilities classified as assets of disposal groups classified as held for sale are analysed as follows:

	2008 <i>HK\$'000</i>
Assets of disposal groups classified as held for sale	
Property, plant and equipment	1,712
Inventories	3,265
Trade and other receivables	8,100
Cash and cash equivalents	<u>2,660</u>
	<u><u>15,737</u></u>
Liabilities directly associated with assets of disposal groups classified as held for sale	
Trade and other payables	16,940
Borrowings	<u>29,566</u>
	<u><u>46,506</u></u>

17. TRADE AND OTHER PAYABLES

Included in trade and other payable are trade creditors with the following ageing analysis as of the balance sheet dates is as follows:

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
After 3 months	<u><u>1,653</u></u>	<u><u>1,836</u></u>

18. BORROWINGS

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Other loans, unsecured	6,600	10,000
Less: Current portion	<u>(6,600)</u>	<u>(5,000)</u>
Non-current portion	–	5,000
Liabilities directly associated with assets of disposal groups classified as held for sale	<u>–</u>	<u>29,566</u>
	<u><u>–</u></u>	<u><u>34,566</u></u>

Notes:

- (a) The borrowing from an independent third party of HK\$1,600,000 (2008: HK\$5,000,000) is unsecured, non-interest-bearing and repayable on demand.
- (b) At 31 March 2009, the borrowing from an independent third party of HK\$5,000,000 (2008: HK\$5,000,000) is unsecured, bears interest at 6.5% per annum and repayable on demand. At 31 March 2008, the borrowing was unsecured, bearing interest at 6.5% per annum and repayable beyond twelve months after the year-end date.

19. PROMISSORY NOTES

The Group and the Company

In 2006, the Company issued a promissory note to directors of an associate and certain independent third parties with a face value of approximately HK\$1,454,722,000 as part of the consideration for the acquisition of the 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 note and is deducted from the carrying value of the promissory notes and charged to income statement.

20. CAPITAL AND RESERVES

Attributable to equity shareholders 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 2007	11,205	1,824,863	(22,470)	-	-	-	(17,262)	(36,747)	1,759,589	327	1,759,916
Shares issued under the placing	15,384	1,984,616	-	-	-	-	-	-	2,000,000	-	2,000,000
Share issuance expenses	-	(41,080)	-	-	-	-	-	-	(41,080)	-	(41,080)
Change in fair value of available-for-sale financial assets	-	-	-	-	-	3,209,650	-	-	3,209,650	-	3,209,650
Equity settled share-based transaction	-	-	-	-	6,872	-	-	-	6,872	-	6,872
Loss for the year	-	-	-	-	-	-	(1,297,733)	6,307	(1,291,426)	(274)	(1,291,700)
At 31 March 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
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	-	-	-	-
Change in fair value of available-for-sale financial assets	-	-	-	-	-	(3,014,382)	-	-	(3,014,382)	-	(3,014,382)
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
At 31 March 2009	26,589	-	(22,470)	2,180,026	7,302	195,268	284,677	-	2,671,392	-	2,671,392

21. NON-ADJUSTING POST BALANCE SHEET EVENTS

- (a) On 20 March 2009, the Company entered into a subscription agreement with Mr. Ng Man Sun (“Mr. Ng”), a shareholder and a holder of the promissory note issued by the Company, pursuant to which the Company has agreed to allot and issue 1,000,000,000 new shares of an aggregate nominal value of HK\$10 million at a subscription price of HK\$0.40 per share to Mr. Ng. The subscription price payable by Mr. Ng under the subscription agreement will be satisfied by Mr. Ng setting off against the face value of the promissory note in the sum of HK\$400,000,000.

The transaction was completed on 11 May 2009.

- (b) On 2 June 2009, Mr. Ng, assigned and transferred approximately an amount of HK\$114,722,000 of the promissory note held by him to an independent third party (the “Subscriber”). On 7 June 2009, the transaction was completed and the Company issued a promissory note with a face value of approximately HK\$114,722,000 to the Subscriber.

On 15 June 2009 and 17 June 2009, the Company entered into a subscription agreement and a supplemental agreement (collectively the “Agreements”) with the Subscriber, pursuant to which the Company has conditionally agreed to allot and issue 140,000,000 new shares in cash at a subscription price of HK\$0.82 per subscription share to the subscriber.

The subscription price payable by the Subscriber under the Agreements will be satisfied by the Subscriber setting off against the face value of the promissory note in the sum of approximately HK\$114,722,000.

The transaction was completed on 6 July 2009.

SIGNIFICANT EVENTS AND DEVELOPMENT

The Group, as an investment company, sees ample opportunities for gaming intermediaries in the deregulated gaming market in Macau. It thus decided to lend a total of HK\$1.9 billion to Ace High Group Limited (“Ace High”), which in turn lent the same amount to AMA, a junket business license holder in Macau specialising in VIP gaming promotion. In return, subject to a series of profit transfer agreements, Ace High is entitled to 80% of the profits generated by AMA from junket business. Pursuant to the loan agreement, the Group has the right to capitalize HK\$50,000,000 of the principal amount of the loan for an allotment and issue of such number of new shares of Ace High representing 99.99% of the enlarged issued share capital of Ace High on a fully diluted basis.

Prompted by the encouraging results of AMA in early 2008, the Group decided to exercise such right of capitalization of Ace High in February 2008 and the move was approved by shareholders of the Company at a special general meeting held on 12 June 2008 and Ace High subsequently became a 99.99% subsidiary of the Company.

To better reflect the performance and impact of the new VIP gaming promotion investment to the Group, in August 2008, the Group proposed to effect a share premium cancellation by way of cancellation of the entire amount standing to the credit of the share premium account of the Company and apply the credit there to eliminate all the accumulated losses of the Group. The proposal was approved by shareholders at a special general meeting held on 19 September 2008 and all accumulated losses of the Company as at 31 March 2008 was thereby eliminated.

Since AMA has established itself as a leading VIP gaming intermediary in 2008, the Group began to deploy all its resources into gaming investment and the significance of LCD manufacturing business diminished. Therefore, on 27 August 2008, the Group entered into a sale and purchase agreement with an independent third party to dispose of the LCD manufacturing business at a consideration of HK\$1. The disposal was approved by the shareholders at a special general meeting on 29 September 2008, which evidenced shareholder endorsement of the new corporate focus and investment strategy of the Group. Thereafter, the Group has directed investments into VIP junket aggregation business, the Greek Mythology Casino in Macau and other gaming related businesses.

On 20 March 2009, the Company reached a conditional agreement with Mr. Ng Man Sun (“Mr. Ng”) to allot and issue to Mr. Ng 1 billion new ordinary shares of the Company in exchange for the cancellation of face value of HK\$400 million of promissory note held by Mr. Ng, a controlling shareholder of Greek Mythology Casino. Mr. Ng is also the President of the Macau Professional Gaming Association and has over 20 years of experience in gaming and entertainment industry. Pursuant to the subscription, Mr. Ng will sign a consultancy agreement with the Group to provide it with various exclusive business development advice and consultancy services. Mr. Ng also agreed to offer the Group the first right of refusal for all gaming related investment opportunities in Macau made available to him and his associates, and guarantee that AMA’s bad debt provision for each of the financial year ended 31 March in 2009, 2010 and 2011 will not exceed HK\$50 million. The Group considered the agreement to be beneficial to shareholders as it will help reduce the indebtedness and finance costs of the Group as well as align Mr. Ng’s interests with those of the Group. The proposal was subsequently approved by the shareholders at a special general meeting on 11 May 2009 after which Mr. Ng became the single largest shareholder of the Group.

FINANCIAL REVIEW

- 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.

During the financial year under review, the Group was principally engaged in investment in gaming promotion in Macau and LCD manufacturing business (exited in September 2008).

The Group made total revenue of HK\$441 million (including contribution from continuing gaming investments of HK\$416 million (2008: HK\$157 million) and contribution from the discontinued LCD manufacturing business of HK\$25 million (2008: HK\$57 million)), a 106% increase from HK\$214 million in the previous year. This increase was primarily attributable to the first full year contribution from the VIP gaming promotion investment through our 80% indirect interest in AMA. Profit for the year ended 31 March 2009 amounted to approximately HK\$79 million as compared to a loss of HK\$1,292 million last year. The gain was largely attributable to the full year contribution from AMA. Notwithstanding the difficult global economic environment and market conditions in Macau, AMA delivered encouraging first full year performance proving the effectiveness of our investment strategy. The Group recorded various non-cash impairment charges totaling 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 impairment charges, the Group recorded a profit of HK\$330 million from our continuing gaming investments, a 176% increase from HK\$120 million in prior year.

BUSINESS REVIEW AND PROSPECTS

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

Investment in Junket Related Operation

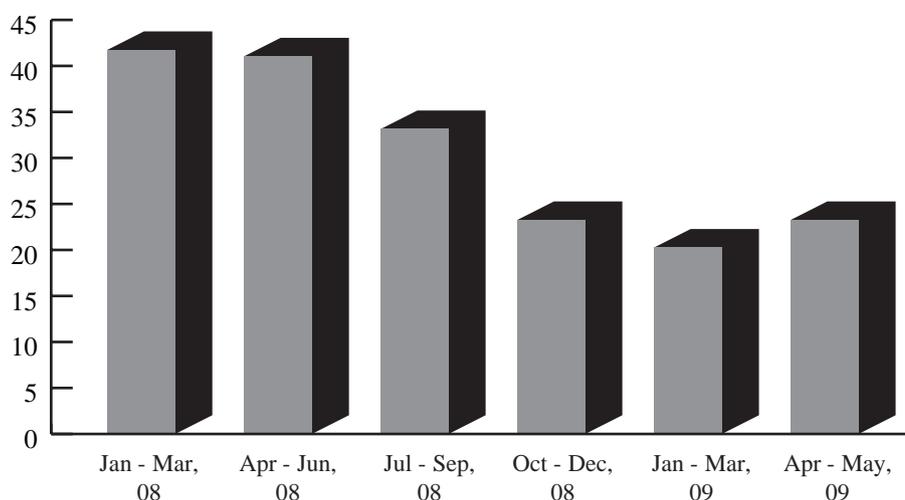
In 2007, the Company entered into a conditional loan agreement with Ace High, wherein it agreed provide a loan of HK\$1.9 billion to Ace High which in turn on-lent the same amount to AMA. AMA, which commenced business on 15 December 2007, aggregates business of different junket collaborators and deals directly with Altira Macau Casino (previously known as “Crown Macau Casino”) to receive commissions.

On 11 February 2008, the Company served a capitalization notice to Ace High pursuant to the loan agreement and capitalized (the “Capitalization”) a sum of HK\$50,000,000 of the principal amount of the loan for 99.99% of the enlarged issued share capital of Ace High. The Company is, by virtue of a series of profit transfer agreements, entitled to 80% of the profits generated by AMA. The Capitalization was approved by shareholders of the Company at a special general meeting held on 12 June 2008. AMA has achieved a rolling chip volume of more than HK\$342 billion and operating profit of HK\$512 million, translating into a contribution of approximately HK\$410 million to the Group for the year ended 31 March 2009.

2008 was a challenging year for the gaming industry in Macau. The global financial crisis and visa restrictions imposed on individual travelers from mainland China inevitably affected AMA, which is a major junket aggregator in VIP gaming promotion in Macau. AMA’s monthly average VIP rolling chip volume dropped from an average of about HK\$40 billion for the quarter ended 30 June 2008 to

HK\$19.6 billion for the quarter ended 31 March 2009. The following graph shows the magnitude of the decline of AMA's average monthly VIP rolling chip volume in the five quarters ended 31 March 2009 and the 2-month period ended 31 May 2009:

Monthly average VIP rolling volume (HK\$ billion)



Despite the challenging environment in the second half of the financial year under review, AMA was able to achieve a monthly average of HK\$28.5 billion for the year ended 31 March, 2009. We considered this first full-year result encouraging given the poor market environment in 2008 and the fact that AMA operated in one casino (Altira) only. With the global economy stabilizing, the credit crunch easing and market sentiment improving since March 2009, we saw improvement of the VIP rolling chip volume in April and May 2009. 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 for AMA's VIP gaming promotion business. We will continue to work closely with AMA, Altira and our junket partners to bring benefits to all in the relationship and also to boost prominence of the Group in the VIP gaming market in Macau.

Investment in VIP Gaming Related Operation and Other Gaming Related Business

The Group, through certain subsidiaries, is engaged in (i) promotion, sales and advertising, client development, coordination and operation of the high rolling gaming area; (ii) provision of technical consultancy services in respect of electronic LIVE baccarat system (ceased operation during the year due to poor performance); and (iii) operation of electronic slot machines in Greek Mythology Casino.

During the financial year under review, the Group recorded gross revenue of HK\$6.3 million from these operations, significantly lower than HK\$21.7 million in the previous year.

Fierce competition made worse still by the deteriorating market environment in the second half of the financial year was the main reason for the unsatisfactory performance of these investments. As customers of the Group's high rolling tables in Greek Mythology Casino are more susceptible to adverse changes in the economic environment and the current economic environment is not expected to improve soon, we do not expect our operating results in these businesses reviving in the near future, not until the mainland authority lift the visa restrictions on individual travelers and the economy is safer on the path of recovery.

Greek Mythology Casino

The Group owns 49.9% equity stake in Greek Mythology Casino, which has approximately 105 mass market tables, 5 VIP tables and 90 slot machines. Greek Mythology is accounted for as an associated company of the Group.

During the financial year ended 31 March 2009, Greek Mythology Casino recorded gross revenue of HK\$164 million (2008: HK\$263 million), representing a decrease of approximately 38% over the prior year. Operating profit before impairment charges of tangible and intangible assets and net loss of Greek Mythology Casino for the year ended 31 March 2009 was HK\$48 million (2008: HK\$138 million) and HK\$501 million (2008: HK\$2,639 million) respectively. The Group's share of loss in Greek Mythology Casino for the financial year ended 31 March 2009 was HK\$250 million (2008: HK\$1,317 million).

Apart from subjected to the same adverse market conditions, Greek Mythology Casino also faced intense competition from increasing supply of mass market gaming tables. Moreover, at a less favorable location and relative small and of a less fancy design when compared with the new giant casinos of different themes, the casino has lost some of the appeal it had when first opened a few years ago. Nevertheless, the Greek Mythology Casino will adhere to serving the mass market.

LCD Manufacturing Business

During the financial year under review, as the Group secured its foothold in the VIP gaming promotion investment in Macau, the LCD manufacturing business has become a legacy business as far as the corporate investment strategy is concerned. On 27 August 2008, it signed a sale and purchase agreement with an independent third party to dispose of the LCD manufacturing business at a nominal consideration of HK\$1. Following the approval by the shareholders at a special general meeting held on 29 September 2008 for the disposal of the LCD manufacturing business, the Company became fully concentrated on the gaming investments. The disposal recorded a gain of approximately HK\$34 million.

The LCD manufacturing business recorded turnover of approximately HK\$25 million and net loss of about HK\$4 million in the financial year under review.

OUTLOOK

The monthly VIP rolling chip volume generated by AMA declined substantially from about HK\$41 billion in the first half of 2008 to the current level of around HK\$21 billion, reflecting the impacts of the global economic downturn and restrictive market conditions. AMA's April and May 2009 rolling chip volume totaled HK\$45.6 billion (unaudited) or on average HK\$22.8 billion a month, a significant improvement against the quarter ended 31 March 2009. We will closely monitor the market for it is too early to say whether this growth momentum will continue. Also, we do not expect the visa restrictions on mainland travelers to be lifted till the end of 2009. Hence, we expect our monthly rolling chip volume to stay at around HK\$20 billion in the months to come.

Our solid partnership with Altira has allowed AMA to contribute a significant portion of our VIP rolling chip volume. The Group looks forward to continuing to work with AMA and Altira on strategies to further improve the performance of the VIP gaming promotion investment.

The Group also expects announcement and implementation of the commission cap of 1.25% of rolling chip volume in the future. We believe the move will provide a respite from the intense competition among junket operations and the new operating environment would allow AMA to fully realize its competitive advantages namely its market-leading network and the unique relationship it has with its major shareholders boasting our investment return.

However, the curtain is still up for the commission cap issue with some casinos and junket operators holding different views in the hope of retaining as much control as possible on commission expenses to junket operators. Furthermore, competition among junket operators has been getting more intense and some casino operators are resorting to giving out discounts or rebates directly to patrons. Such practices may alter the operating environment for junket business in the long run. We will closely monitor these trends while continuing to look into other gaming investment opportunities that will benefit our shareholders.

2008 was ridden with challenges for us, but we managed to transform the Group into a gaming investment company with focus on investment VIP gaming related promotion and executed our investment strategy with success. 2009 is likely to be another testing year for us, but we are hopeful that global market sentiment will improve and the stimulus package implemented by the Chinese government will bring benefits to our business. We are thus cautiously optimistic about our investment performance in the junket aggregation business in the coming year. The Group will continue to look into other investment opportunities that agree with its investment strategy.

DIVIDEND

Anticipating a still uncertain market in the coming year, the Board does not recommend payment of final dividend for the year ended 31 March 2009. The Group had declared and paid an interim dividend of HK1.5 cents per share during the financial year.

The Company is also considering, subject to the Board and shareholders' approval, a fixed dividend payout policy in the future, of which no less than 30% of the adjusted annual net profit of the Group would be paid out as dividend. The adjusted net profit excludes certain non-cash income items from the annual audited net profit in the calculation. These exclusions include, but are not limited to, increase in fair value of assets, decrease in fair value of liabilities, unrealized gain on investments etc.

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 2009, the Group had total assets and net assets of approximately HK\$3,725 million (2008: HK\$6,589 million) and HK\$2,671 million (2008: HK\$5,644 million) respectively which were financed by shareholders' funds of HK\$2,671 million (2008: HK\$5,644 million), current liabilities of HK\$147 million (2008: HK\$93 million) and non-current liabilities of HK\$907 million (2008: HK\$852 million), including promissory notes with present value of approximately HK\$907 million (2008: HK\$847 million) which are repayable in March 2016 at a face value of approximately HK\$1,455 million.

As at 31 March 2009, 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 34% (2008: 15%) and 4.86 (2008: 3.24), respectively. During the year ended 31 March 2009, the Group recorded a net cash inflow of HK\$29 million (2008: outflow of HK\$22 million) from operating activities. As at 31 March 2009, the Group had cash and cash equivalents of HK\$78 million (2008: HK\$91 million). The Group considers that it has sufficient financial resources to meet operation and development requirements in the foreseeable future.

SHARE CAPITAL STRUCTURE

The Board passed a resolution on 11 February 2008 in which it proposed a consolidation (the "Share Consolidation") of every 10 issued and unissued shares of HK\$0.001 each in the capital of the Company into one consolidated share of HK\$0.01 each. The proposed Share Consolidation was approved by shareholders of the Company at a special general meeting held on 7 April 2008.

On 4 August 2008, the Board passed another resolution regarding the proposed cancellation (the "Share Premium Cancellation") of the entire credit amount of HK\$3,768,398,966 of the share premium account of the Company and used the resulting credit to eliminate all the accumulated losses of the Company of HK\$1,548,489,821 as at 31 March 2008. The remaining balance of HK\$2,219,909,145 was credited to the contributed surplus account of the Company. The proposed Share Premium Cancellation was approved by shareholders of the Company at a special general meeting held on 19 September 2008.

On 11 May 2009, shareholders approved in a special general meeting to allot and issue one billion new ordinary shares of the Company to Mr. Ng Man Sun in exchange for the cancellation of face value of HK\$400 million of promissory notes held by him. Mr. Ng Man Sun has become the largest shareholder of the Company thereafter.

MAJOR ACQUISITION AND DISPOSAL OF SUBSIDIARIES

Pursuant to a loan agreement entered with Ace High on 23 August 2007, the Company has the right, at its absolute discretion to capitalize (the "Capitalization") HK\$50,000,000 of the principal amount of the loan for an allotment and issue of such number of new shares of Ace High representing 99.99% of the enlarged issued share capital of Ace High on a fully diluted basis. On 11 February 2008, the Company served a capitalization notice to Ace High pursuant to the loan agreement. The Capitalization was approved by shareholders of the Company at a special general meeting held on 12 June 2008.

On 27 August 2008, the Company entered into a sale and purchase agreement with an independent third party to dispose of 100% equity interest in Profit Goal and its subsidiaries (the "Disposal"), a wholly-owned subsidiary of the Company which is in the business of manufacturing and selling LCD and LCD modules, at a consideration of HK\$1, resulting in a gain of approximately HK\$34 million. The Disposal was approved by shareholders of the Company at a special general meeting held on 29 September 2008.

FOREIGN EXCHANGE AND CURRENCY RISKS

It is the Group's 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 hedging tools.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March, 2009, the Group had a total of approximately 20 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 has also been introduced by the Group 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 2009.

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 2009 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. During the period, the Board was identifying suitable candidate to fill in the role of Chief Executive Officer and on 6 May 2009, Mr. Li Kin Ho, Kenny was 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.

Code provision A4.2 provides that every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every 3 years. Pursuant to the Bye-laws of the Company, the Chairman of the Board, who was appointed on 18 July 2006, is not subject to retirement by rotation.

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. The audit committee comprises one non-executive director and five independent non-executive Directors.

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

REMUNERATION COMMITTEE

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 2009.

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

Hong Kong, 17 July 2009

As at the date of this announcement, the Board of Directors comprises Mr. Cheung Nam Chung, Mr. Huang Xiang Rong, and Ms. Li Wing Sze being the executive Directors, Mr. Leung Kin Cheong, Laurent being the non-executive Director and Attorney Lorna Patajo Kapunan, Mr. Chan Chiu Hung, Alex, Mr. Cheng Kai Tai, Allen, Mr. Fang Ang Zeng and Prof. Zeng Zhong Lu being the independent non-executive Directors.

* *For identification purpose only*