Annual Report 2009

Amax Entertainment Holdings Limited

(To be changed 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)

Committed to Long Term Growth & Success

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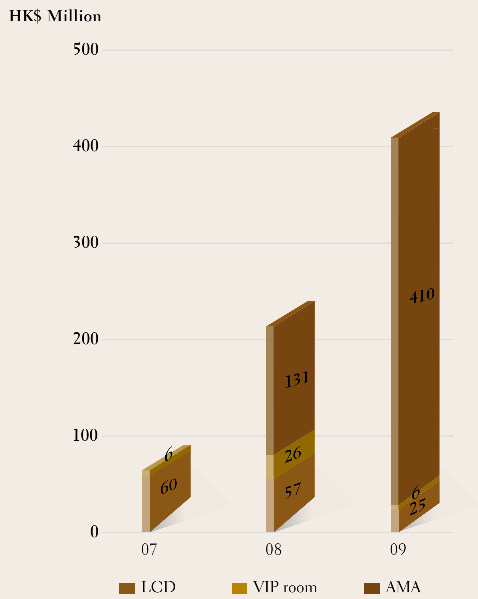
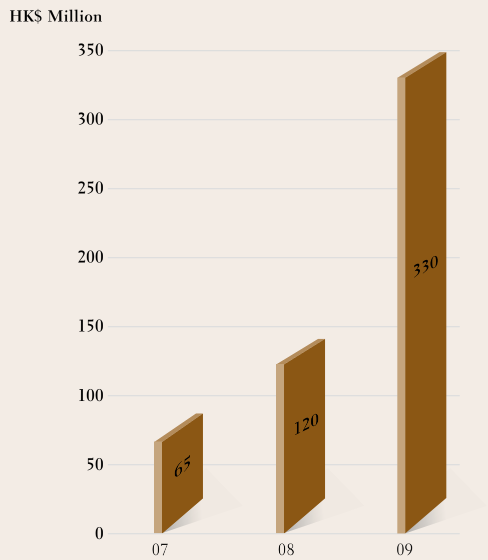
CORPORATE INFORMATION

BOARD OF DIRECTORS	**Executive** Mr. Cheung Nam Chung Mr. Huang Xiang Rong (appointed on 20 March 2009) Ms. Li Wing Sze Mr. Chan Ying Tat (resigned on 13 November 2008) Mr. Chan Chi Yuen (resigned on 31 January 2009) Mr. Lam Cheok Va, Francis (resigned on 20 March 2009) **Non-executive** Mr. Leung Kin Cheong, Laurent (appointed on 30 March 2009) Mr. Hau Chi Kit (appointed on 29 August 2008 as Independent Non-executive Director, redesignated on 6 October 2008 and resigned on 30 March 2009) **Independent Non-executive** Mr. Chan Chiu Hung, Alex Attorney Lorna Patajo Kapunan (appointed on 29 August 2008) Mr. Cheng Kai Tai, Allen (appointed on 20 March 2009) Mr. Fang Ang Zeng (appointed on 30 March 2009) Mr. Lee Tsz Hong (retired on 29 August 2008) Mr. Ng Wai Hung, Raymond (retired on 29 August 2008) Mr. Kou Hoi In (appointed on 29 August 2008 and resigned on 20 March 2009) Prof. Zeng Zhong Lu (appointed on 16 April 2009)
COMPANY SECRETARY	Mr. Wong Lee Ping (appointed on 2 February 2009) Mr. Chan Chi Yuen (resigned on 31 January 2009)
AUDITOR	CCIF CPA Limited Certified Public Accountants 20th Floor Sunning Plaza 10 Hysan Avenue Causeway Bay, Hong Kong
LEGAL ADVISOR	Michael Li & Co. 14th Floor Printing House 6 Duddell Street Central, Hong Kong
STOCK CODE	959
BRANCH SHARE REGISTRAR	Tricor Secretaries Limited 26th Floor Tesbury Centre 28 Queen's Road East Wanchai, Hong Kong
REGISTERED OFFICE	Clarendon House 2 Church Street Hamilton HM11 Bermuda
PRINCIPAL PLACE OF BUSINESS	2701 Vicwood Plaza, 199 Des Voeux Road Central, Hong Kong

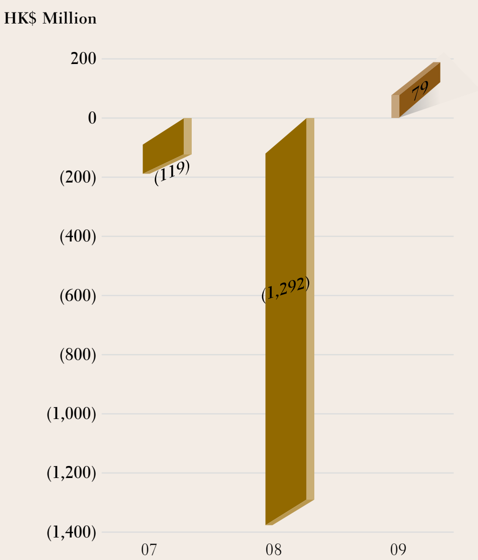
REVENUE



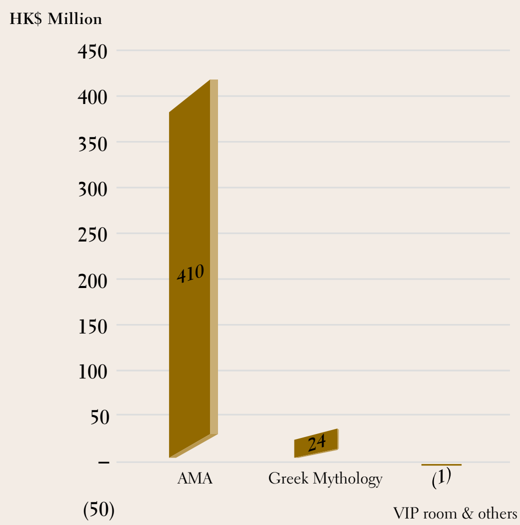
PROFIT FROM CONTINUING OPERATIONS EXCLUDING IMPAIRMENT CHARGES AND SHARE OF ASSOCIATE'S IMPAIRMENT CHARGES



PROFIT/(LOSS) FOR THE GROUP



FY2009 GROUP'S SHARE OF OPERATING PROFIT (BEFORE IMPAIRMENT CHARGES) BY INVESTMENT



Dear Shareholders,

In the past financial year, the Group with a diverse investment portfolio decided to exit from LCD manufacturing business after taking into account the prospects and revenue contribution of the business and direct its full attention on investment in gaming projects in Macau. Its investment was handsomely rewarded for the first year. However, factors such as visa restrictions on Mainland visitors to Macau, the global financial crisis and proposed cap on commission by gaming operators have prompted tightening of credit on gaming promotion and made the operating environment more difficult. Hence, we will continue to keep a close watch on development of the gaming industry in Macau and our investment in the industry. At the same time, we will also start to explore investment opportunities in other sectors or regions so as to achieve the maximum investment returns for our shareholders.

During the year under review, the global financial crisis erupted affecting economies around the world. That plus the Chinese government tightening restrictions on individual travelers to Macau have made the operating environment very challenging for the investment projects of the Group. However, despite that, our gaming investment projects in Macau still reported success for the year. The Group pursued the following major gaming projects during the year: (i) sharing 80% of the profit of AMA International Limited ("AMA") via loan, and (ii) owning 49.9% equity interest in Greek Mythology (Macau) Entertainment Group Corporate Limited ("Greek Mythology"). In addition, the Group invested in gaming related business including provision of technical consultancy services in relation to electronic LIVE baccarat system and slot machine operation. Relative to the previous year, our investment approach for the year was clearer and more precise. And we continue to enjoy leadership in the gaming promotion investment segment in Macau, evidencing the initial success in our gaming investment strategies.

The Group 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. With these talents on board, the Group believes it will be able to lay down sound long-term investment strategies.

We are very pleased to have Mr. Ng Man Sun, an expert in the Macau gaming promotion industry to become the largest single shareholder and advisor of the Group. With his help, we will be able to better control the risks from the difficult business environment of the VIP gaming promotion segment in Macau and the indirect investment of the Group in AMA International. Mr. Ng has over 40 years of experience in the gaming, entertainment, transportation and hospitality industries in Macau. He is the Charter President and Executive Director of the Macau Gaming Professionals Association. We strongly believe that his wealth of gaming industry knowledge and well-established personal connection will allow us to more effectively supervise our gaming investment projects and open us to more investment opportunities with strong potential.

Looking ahead, with the global economic downturn still looming, visa restrictions on mainland travelers prevailing and the cap on commission unresolved, the Group expects the gaming investment environment to remain challenging in the year to come. Nevertheless, with the improving market sentiment and stimulus package implemented by the Chinese government, we cautiously believe the worst is over. We will continue monitoring 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.

On behalf of the Board of Directors, I would like to extend my sincere thanks to our management team and staff for their dedication and hard work during the past year. My thanks also go to my fellow Directors, our business partners, customers, banks and shareholders for their continuous support and trust over the years. In the coming year, let us continue to work together to overcome all difficulties and create outstanding results.

Cheung Nam Chung
Chairman

Hong Kong
25 July 2009

During the financial year under review, the Group disposed of its investment in LCD manufacture business, meaning the remaining key investments of the Group are the 49.9% equity investment it has in Greek Mythology Casino and the loan to AMA International Limited ("AMA").

2008 was a challenging year for the gaming industry in Macau. Riding on the momentum built up in 2007, which boasted a staggering 47% growth in total gaming revenue, the industry continued to grow in the first quarter of 2008. However, with the introduction of visa restrictions on mainland travelers to Macau in June and the plunge of the global economy in the second half of 2008, the gaming revenue of the city dropped continually starting from the second quarter to the end of the financial year. As a constituent investor in the industry, the Group also inevitably felt the heavy weight of the adverse economic and market environment during the financial year ended March 31, 2009. The monthly average rolling chip volume of AMA declined from about HK$40 billion for the quarter ended June 30, 2008 to less than HK$20 billion for the quarter ended 31 March 2009.

Despite the challenging market environment, the Group continued to reinforce the foundation of its junket aggregation investment adopted since 2007. Our VIP gaming promotion investment bore fruits and AMA achieved a total rolling chip volume of approximately HK$342 billion for the year ended 31 March 2009. One of our key investment strategies was to leverage on AMA's existing strong network of junket operators and the alliance with Altira in promoting VIP gaming. During the financial year under review, the Group completed the transformation into a pure investment company in gaming with focus on VIP gaming promotion in Macau.

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 the 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 9,999 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 40 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:

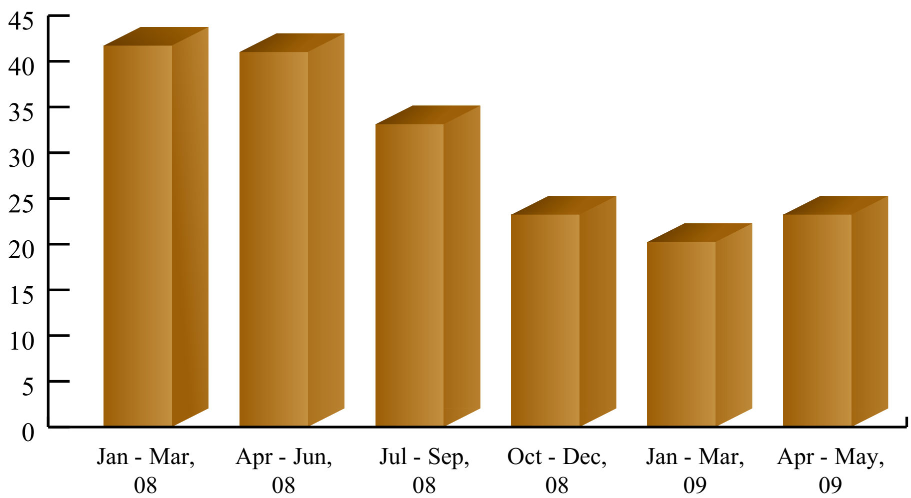
Investment in Junket Related Operation

In 2007, the Company entered into a conditional loan agreement with Ace High, wherein it agreed to 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 slot machines and high rolling table investments in Greek Mythology Casino. 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 in 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 ("Mr. Ng") in exchange for the cancellation of face value of HK$400 million of promissory notes held by him. Mr. Ng 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.

The Board and management are committed to upholding the Company's obligations to shareholders, and maintaining a high standard of corporate governance practices from which our shareholders will ultimately benefit. The Company will constantly review its practices and policies to ensure they remain relevant and practical in today's fast changing business environment.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Code on Corporate Governance Practices ("CG Code") contained in Appendix 14 of the Listing Rules sets out the principles of good corporate governance (the "Principles") and two levels of corporate governance practices:

(a) code provisions (the "Code Provisions") which listed issuers are expected to comply with or to give considered reasons for any deviation; and

(b) recommended best practices (the "Recommended Best Practices") for guidance only, which listed issuers are encouraged to comply with or give considered reasons for deviation.

The Company has applied the Principles and the Code Provisions as set out in the CG Code and complied with all the Code Provisions throughout the year ended 31 March 2009 with the exception of certain deviation as further explained below. The Company also put in place certain Recommended Best Practices as set out in the CG Code.

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 late January 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 Non-executive Directors of the Company are appointed for a specific term. This constitutes a deviation from Code Provision A.4.1. However, all 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.

THE BOARD

Responsibilities

The Board provides leadership, approves policies, strategies and plans, and oversees their implementation to further the healthy growth of the Company, in the interests of its shareholders. The Board takes responsibility for all major matters of the Company, including the approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, financial information, appointment of Directors and other significant financial and operational matters.

All Directors have full and timely access to all relevant information as well as the advice and services of the Company Secretary, with a view to ensuring that Board procedures and all applicable rules and regulations are followed. Each Director is normally able to seek independent professional advice in appropriate circumstances at the Company's expense, upon making a request to the Board.

The day-to-day management, administration and operation of the Company are delegated to the Executive Director/ Chief Executive Officer and the senior management. The delegated functions and work tasks are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the above mentioned officers. The Board has the full support of the senior management to discharge its responsibilities.

Roles of Chairman and Chief Executive Officer

The Code Provision A.2.1 stipulates that the roles of chairman of the Board (the "Chairman") and chief executive officer ("CEO") should be separated and should not be performed by the same individual and that the division of responsibilities between the Chairman and CEO should be clearly established and set out in writing.

The Company fully supports the division of responsibility between the Chairman and the CEO. After the departure of Mr. Chan Chi Yuen as the Acting Chief Executive Officer in late January 2009, Mr. Cheung Nam Chung held both positions of Chairman and Acting Chief Executive Officer on temporary basis until 5 May 2009 when Mr. Li Kin Ho, Kenny was appointed as the Chief Executive Officer on 6 May 2009 to ensure a balance of power and authority. Their respective responsibilities are clearly defined and set out in writing.

The Chairman provides leadership and is responsible for the effective functioning of the Board in accordance with good corporate governance practice. With the support of the senior management, the Chairman is also responsible for ensuring that the Directors receive adequate, complete and reliable information in a timely manner and appropriate briefing on issues arising at Board meetings. The Chairman is also principally responsible for determining the overall strategy and corporate development and ensuring the business operations are properly monitored.

The CEO focuses on implementing objectives, policies and strategies approved and delegated by the Board. He is in charge of the Company's day-to-day management and operations. He is also responsible for developing strategic plans and formulating the company practices and procedures, business objectives, and risk assessment for the Board's approval.

Composition

The composition of the Board reflects the necessary balance of skills and experience desirable for effective leadership of the Company and independence in decision making. The Board currently comprises three Executive Directors, one Non-executive director and five Independent Non-executive Directors. The details of the Directors of the Company during the year ended 31 March 2009 and up to the date of this report are set out on pages 26 to 28.

The Board at all times met the requirements of the Listing Rules relating to the appointment of at least three Independent Non-executive Directors with at least one Independent Non-executive Director possessing appropriate professional qualifications in accounting or related financial management expertise.

The Company has received written annual confirmation of independence from each Independent Non-executive Director pursuant to the requirements of the Listing Rules. The Company considers all Independent Non-executive Directors to be independent in accordance with the independence guidelines set out in the Listing Rules.

Appointment and Succession Planning of Directors

The Company has established formal, considered and transparent procedures for the appointment and succession planning of Directors. The term of office for each of the Executive Directors and Independent Non-executive Directors is the period up to his/her retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company's Bye-laws. In accordance with the Company's Bye-laws, any Director so appointed by the Board shall hold office only until the next following annual general meeting ("AGM") and shall then be eligible for re-election at that meeting. At each AGM, one-third of the Directors for the time being shall retire from office by rotation, provided that each Director shall be subject to retirement by rotation at least once every three years at the AGM.

Board Meetings

The Board will hold at least four regular meetings each year at approximate quarterly intervals to review and approve the financial and operating performance, and consider the overall strategies and policies of the Company. In addition, the Board will convene Board meetings when necessary to discuss or approve major matters during the year.

The attendance of each Director at Board meetings during the year ended 31 March 2009 is as follows:

Directors		Attendance
Executive Directors		
Mr. Cheung Nam Chung		46/46
Mr. Huang Xiang Rong	(appointed on 20 March 2009)	0/0
Ms. Li Wing Sze		25/46
Mr. Chan Ying Tat	(resigned on 13 November 2008)	37/38
Mr. Chan Chi Yuen	(resigned on 31 January 2009)	39/43
Mr. Lam Cheok Va, Francis	(resigned on 20 March 2009)	29/46
Non-executive Directors		
Mr. Leung Kin Cheong, Laurent	(appointed on 30 March 2009)	0/0
Mr. Hau Chi Kit	(appointed on 29 August 2008 as Independent Non-executive Director, redesignated on 6 October 2008 and resigned on 30 March 2009)	5/21
Independent Non-executive Directors		
Mr. Chan Chiu Hung, Alex		46/46
Attorney Lorna Patajo Kapunan	(appointed on 29 August 2008)	5/21
Mr. Cheng Kai Tai, Allen	(appointed on 20 March 2009)	0/0
Mr. Fang Ang Zeng	(appointed on 30 March 2009)	0/0
Mr. Lee Tsz Hong	(retired on 29 August 2008)	1/25
Mr. Ng Wai Hung, Raymond	(retired on 29 August 2008)	19/25
Mr. Kou Hoi In	(appointed on 29 August 2008 and resigned on 20 March 2009)	4/21
Prof. Zeng Zhong Lu	(appointed on 16 April 2009)	N/A

Annual meeting schedules and draft agendas of each meeting are normally made available to Directors in advance. Notices of regular Board meetings are served to all Directors at least 14 days before the meetings. For other Board and committee meetings, reasonable notice is generally given. Board papers together with all appropriate, complete and reliable information are sent to all Directors at least 3 days before each Board meeting or committee meeting to keep the Directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. The Board and each Director also have separate and independent access to the senior management whenever necessary. The Company Secretary is responsible for keeping minutes of all Board meetings and committee meetings. Draft minutes are normally circulated to Directors for comment within a reasonable time after each meeting and the final version is open for Directors' inspection. According to current Board practice, any material transaction, which involves a conflict of interests for a substantial shareholder or a Director, will be considered and dealt with by the Board at a duly convened Board meeting. The Company's Bye-laws also contain provisions requiring Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Directors or any of their associates have a material interest.

BOARD COMMITTEES

Two committees, namely, the audit committee and remuneration committee, were established under the Board to oversee their respective functions. The board has not established a nomination committee at the moment. The function of nomination and removal of the Directors had laid down with the Executive Directors who are responsible for assessing the qualifications, experience as well as integrity of any potential candidate to be appointed as Director. However, the Board will continue to review whether there is a need to establish a nomination committee. The committees are allowed to obtain independent professional advice and service at the Company's expense.

Audit Committee

The audit committee comprises one Non-executive Director and five Independent Non-executive Directors. The audit committee was established with specific written terms of reference, and is mainly responsible for reviewing and providing supervision over the Company's financial reporting process and internal controls. Mr. Chan Chiu Hung, Alex, who has substantial accounting experience, is chairman of the audit committee.

The main duties of the Audit Committee include the following:

(a) To review the financial statements and reports and consider any significant or unusual items raised by the qualified accountant, or external auditors before submission to the Board.

(b) To review the relationship with the external auditor by reference to the work performed by the auditor, their fees and terms of engagement, and make recommendations to the Board on the appointment, re-appointment and removal of external auditor.

(c) To review the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures.

Based on the reviews and discussions by the Audit Committee, the Audit Committee had:

– recommend to the Board for the approval of the audited financial statements of the financial year under review together with the auditor's report thereto attached before the announcement of the annual result.

– recommend to the Board for the proposal for the re-appointment of CCIF CPA Limited as the auditor of the Company in the forthcoming AGM of the Company.

Two audit committee meetings were held during the year ended 31 March 2009. The Composition of the Audit Committee and the respective attendance of each member is set out as follows:

Members		Attendance
Mr. Chan Chiu Hung, Alex		2/2
Attorney Lorna Patajo Kapunan	(appointed on 29 August 2008)	1/1
Mr. Cheng Kai Tai, Allen	(appointed on 20 March 2009)	0/0
Mr. Leung Kin Cheong, Laurent	(appointed on 30 March 2009)	0/0
Mr. Fang Ang Zeng	(appointed on 30 March 2009)	0/0
Mr. Lee Tsz Hong	(retired on 29 August 2008)	1/1
Mr. Ng Wai Hung, Raymond	(retired on 29 August 2008)	1/1
Mr. Kou Hoi In	(appointed on 29 August 2008 and resigned on 20 March 2009)	1/1
Mr. Hau Chi Kit	(appointed on 29 August 2008 as Independent Non-executive Director, redesignated as Non-executive Director on 6 October 2008 and resigned on 30 March 2009)	1/1
Prof. Zeng Zhong Lu	(appointed on 16 April 2009)	N/A

The chairman of the audit committee will report the findings and recommendations, if any, of the audit committee to the Board after each meeting. The audit committee confirmed there are no matters that need to be brought to the attention of the shareholders.

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. Attorney Lorna Patajo Kapunan is chairlady of the remuneration committee and is responsible for reporting the meeting results and recommendations of the remuneration committee to the Board.

The main duties of the Remuneration Committee include the following:

(a) determining the specific remuneration packages of all executive Directors and senior management;

(b) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;

(c) reviewing and approving the compensation payable to executive Directors and senior management in connection with any loss or termination of their office or appointment; and

(d) consulting with the Chairman where to position the Company relative to comparable companies in terms of remuneration level and board composition.

Four remuneration committee meetings were held during the year ended 31 March 2009. The composition of the Remuneration Committee and the respective attendances of the members are presented as follows:

Members		Attendance
Attorney Lorna Patajo Kapunan	(appointed on 29 August 2008)	6/6
Mr. Cheung Nam Chung		7/7
Mr. Chan Chiu Hung, Alex		7/7
Mr. Ng Wai Hung, Raymond	(retired on 29 August 2008)	1/1

The summary of the works performed by the Remuneration Committee for the financial year included the following:

– review and approve of the remuneration package of each director and senior management including benefit in kind, pension right, bonus payment and compensation payable.

DIRECTOR' REMUNERATION

The remuneration paid to and/or entitled by each of the Directors for the financial year under review is set out in note 8 to the financial statement.

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.

AUDITOR'S REMUNERATION

During the year ended 31 March 2009, the remuneration paid and payable to the auditors of the Company, CCIF CPA Limited, for provision of the Group's statutory audit and other non-audit services were approximately HK$500,000 and HK$358,000 respectively.

ACKNOWLEDGEMENT OF RESPONSIBILITY FOR FINANCIAL STATEMENT

The Directors acknowledged their responsibilities for preparing the accounts of the Group. In preparing the accounts for the financial year under review, the Directors have:

- based on a going concern basis;
- selected suitable accounting policies and applied them consistently; and
- made judgments and estimates that were prudent, fair and reasonable.

The statement of the auditors of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on page 35 and 36.

REVIEW OF INTERNAL CONTROL

The Board, recognizing its overall responsibility in ensuring the system of internal controls of the Company and for reviewing its effectiveness, is committed to implementing an effective and sound internal controls system to safeguard the interests of shareholders and the assets of the Company. Procedures have been designed for the management of credit risk and collectability risk over the investment of the Company, ensuring the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, and ensuring compliance with applicable law, rules and regulations. The procedures provide a reasonable but not absolute assurance and prevention of material untrue statements or losses, as well as prevention of the interruption of the Company's management system and monitoring of risks existing in the course of arriving at the Company's objectives. The management of the Company has conducted a review on the Company's internal control and risk management system including functions of financial, operation, risk management and compliance for the year ended 31 March 2009. A report with findings and recommendations will be submitted to the Board to improve and strengthen its control in order to enhance the corporate governance and safeguard the interests of its shareholders.

COMMUNICATION WITH SHAREHOLDERS

The CG Code requires the Company to have a dialogue with shareholders and it is the responsibility of the Board as a whole to ensure that satisfactory dialogue takes place. The primary communication channel between the Company and its shareholders is through the publication of its interim and annual reports. The Company's Registrars serve the shareholders with respect to all share registration matters. The Company's annual general meeting provides a useful forum for shareholders to exchange views with the Board. The Chairman of the Company and management are available to answer shareholders' questions. Separate resolutions are proposed at general meetings on each substantially separate issue, including the election of individual Directors. Details of the poll voting procedures and rights of shareholders to demand a poll are included in the circular to shareholders dispatched together with the annual report. The circular also includes details of the procedures and the timetable of proposing appropriate candidates to stand for election as Directors at annual general meetings, and relevant details of proposed resolutions, including biographies of each candidate standing for re-election and whether such candidates are considered to be independent.

The Directors present their report and audited financial statements of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2009.

CHANGE OF COMPANY NAME

Pursuant to a 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 its 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 shortly be adopted.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding. The principal activities of its subsidiaries during the year are set out in note 18 to the financial statements.

An analysis of the Group's performance for the year by business and geographical segments is set out in note 15 to the financial statements.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 March 2009 are set out in the consolidated income statement on pages 37 to 38.

During the financial year, the Company paid an interim dividend of $1.5 cents per share on 19 December 2008.

The Directors do not recommend the payment of any final dividends for the year ended 31 March 2009.

SUMMARY FINANCIAL INFORMATION

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 121.

NON-CURRENT ASSETS

Details of the movements of the non-current assets of the Group and the Company during the year are set out in note 16 to the financial statements.

SUBSIDIARIES

Details of the Company's subsidiaries as at 31 March 2009 are set out in note 17 to the financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Details of the movements in the Company's share capital during the year are set out in notes 27 to the financial statements.

SHARE OPTIONS SCHEME

The Company's share option scheme (the "Share Option Scheme") was adopted on 12 August 2002 with a purpose to recognise the contribution of certain employees, directors, executives or officers, suppliers, consultants and agents of the Group to the growth of the Group.

Under the terms of the Share Option Scheme, the Board may, at its discretion, grant share options to employees, directors, executives or officers of the Group, and any suppliers, consultants or agents who have provided services to the Group at a price not less than the average of the closing prices of the shares on the Stock Exchange on the five trading days immediately preceding the offer date, the closing price of the shares on the Stock Exchange on the offer day or the nominal value of the shares, whichever is higher.

The maximum number of shares in respect of which options may be granted under the Share Option Scheme will not exceed 10% of the issued share capital of the Company and the maximum number of shares in respect of which options may be granted to any one participant will not exceed 30% of the maximum number of shares in issue from time to time. At the date of report, the total number of shares of the Company which may be allotted and issued upon the exercise of all options to be granted under the Share Option Scheme must not exceed 265,888,972 shares, representing 10% of the shares in issue as at 18 March 2008, the date of the special general meeting approving the refreshment of the 10% limit on the grant of options.

A nominal consideration of HK$1 is payable within 30 days from the offer date for each lot of share options granted. An option may be exercised in accordance with the terms of the Share Option Scheme during a period to be notified by the Board.

The Share Option Scheme is valid for a period of 10 years commencing from 12 August 2002. During the financial year ended 31 March 2009, the Company had granted a total 14,900,000 share options under the Share Option Scheme. 10,400,000 share options to Board of Directors and 4,500,000 share options to Senior Management.

Details of the movement of the Company's Share Option Scheme are set out in note 28 to the financial statements.

The particulars of the movement of the Company's share options during the year ended 31 March, 2009 is as follows:

Directors and Eligible Employees	No.of share options ('000) As of 1 April, 2008 (Note 1)	Share consolidation (Note 2)	Granted during the year (Note 3)	Lapsed during the year	As of 31 March 2009
Directors					
Immediately vested	98,000	(88,200)	10,400	(5,400)	**14,800**
One year from the date of grant	73,500	(66,150)	–	(4,050)	**3,300**
Two years from the date of grant	73,500	(66,150)	–	(4,050)	**3,300**
	245,000	(220,500)	10,400	(13,500)	**21,400**
Eligible Employees					
Immediately vested	63,600	(57,240)	4,500	(1,960)	**8,900**
One year from the date of grant	47,700	(42,930)	–	(1,470)	**3,300**
Two years from the date of grant	47,700	(42,930)	–	(1,470)	**3,300**
	159,000	(143,100)	4,500	(4,900)	**15,500**
Total share options	404,000	(363,600)	14,900	(18,400)	**36,900**

Notes:

1. The first batch of share options has been granted to certain directors, employees and consultants on 28 January 2008. The vesting date and exercisable periods of the options are as follow:

Vesting Date	Exercise Periods	Number of Share Options
28 January 2008	28 January 2008 to 27 January 2009	161,600,000
28 January 2009	28 January 2009 to 27 January 2010	121,200,000
28 January 2010	28 January 2010 to 27 January 2013	121,200,000
		404,000,000

2. The exercise price of the above share options has been changed from HK$0.0736 to HK$0.736 as a result of the share consolidation passed by the shareholders' approval at a special general meeting held on 7 April 2008, every 10 shares of the Company of HK$0.001 each were consolidated into 1 new share of the company of HK$0.01 each.

3. During the year, two batches of share options has be granted to the non-executive directors and an employee respectively, both batches of share options can be immediately vested. Totaling of 10,400,000 share options has been granted to four non-executive directors on 20 October 2008, with the exercise period of five years till 19 October 2013 with the exercise price of HK$0.1332; and 4,500,000 share options has been granted to an employment on 20 March 2009, with the exercised period of 10 years till 19 March 2019 with the exercise price of HK$0.158.

RESERVES

Details of the movements in the reserves of the Group and the Company are set out in note 27 to the financial statements.

DISTRIBUTABLE RESERVES

As at 31 March 2009, in the opinion of the Directors of the Company, the reserves of the Company available for distribution to shareholders amounted to approximately HK$1,892,541,000 (2008: HK$2,324,935,000).

DIRECTORS

The Directors during the year and up to the date of this report were:

Executive Directors

Mr. Cheung Nam Chung	
Mr. Huang Xiang Rong	(appointed on 20 March 2009)
Ms. Li Wing Sze	
Mr. Chan Ying Tat, Ted	(resigned on 13 November 2008)
Mr. Chan Chi Yuen	(resigned on 31 January 2009)
Mr. Lam Cheok Va, Francis	(resigned on 20 March 2009)

Non-executive Directors

Mr. Leung Kin Chong, Laurent	(appointed on 30 March 2009)
Mr. Hau Chi Kit	(appointed on 29 August 2008 as Independent Non-executive Director, redesignated on 6 October 2008 and resigned on 30 March 2009)

Independent Non-executive Directors

Attorney Lorna Patajo Kapunan	(appointed 29 August 2008)
Mr. Chan Chiu Hung, Alex	
Mr. Cheng Kai Tai, Allen	(appointed 20 March 2009)
Mr. Fang Ang Zeng	(appointed 30 March 2009)
Prof. Zeng Zhong Lu	(appointed on 16 April 2009)
Mr. Lee Tsz Hong	(retired on 29 August 2008)
Mr. Ng Wai Hung, Raymond	(retired on 29 August 2008)
Mr. Kou Hoi In	(appointed on 29 August 2008 and resigned on 20 March 2009)

Mr. Huang Xiang Rong Mr. Leung Kin Chong, Laurent, Attorney Lorna Patajo Kapunan, Mr. Cheng Kai Tai, Allen, Mr. Fan Ang Zeng and Prof. Zeng Zhong Lu will retire at the forthcoming annual general meeting in accordance with bye-law 86(2) of the Bye-laws of the Company and, being eligible, will offer themselves for re-election at the annual general meeting.

In accordance with bye-law 87(1) of the Company's Bye-laws of the Company, Mr Cheung Nam Chung and Mr Chan Chiu Hung, Alex shall retire and, being eligible, offer himself for re-election at the forthcoming annual general meeting.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. CHEUNG Nam Chung, aged 65, is the Chairman of the Board. Mr. Cheung and a member of remuneration committee holds a diploma in Business Administration from The Chinese University of Hong Kong and a Master of Business Administration degree from the University of East Asia, Macau. Mr. Cheung held senior executive positions in a number of local and foreign banks and served as General Manager in a listed property development/construction and finance consortium in the late 70's. He was Executive Vice President of SBS Financial Corporation in Toronto, Canada during the period from 1989 to 1994 focusing on project finance and fund management. From early 1995, Mr. Cheung joined Liu Chong Hing Bank as Senior Manager until July 2006. An active figure in the social circle, Mr. Cheung has been Director and Advisor of Yan Chai Hospital, President of Peninsula Lions Club and Zone Chairman of Lions International District 303, etc.

Mr. HUANG Xiang Rong, aged 56, has been appointed as Executive Director with effect from 20 March 2009. Mr. Huang graduated from Guangzhou Institute of Foreign Language (currently known as Guangdong University of Foreign Studies). In the late 80's, Mr. Huang took a systematic training of financing, banking and international finance in Hong Kong. He has over 20 year's senior management experience in a scalable financial institution. In the 90's, Mr. Huang worked as deputy general manager and financial controller in a financial institution, under the umbrella of a Hong Kong listed group and responsible for risk management and financial management.

Ms. LI Wing Sze, aged 30, has over 10 years of experience in technologies and administrative management in Macau gaming industry. Being one of the few lady gaming executives in Macau, she has witnessed the change of gaming operational landscape during the last five years. Ms. Li is mainly responsible for the overseeing of the local gaming operational matters of the Group.

Non-Executive Director

Mr. LEUNG Kin Cheung, Laurent, aged 39, has been appointed as Non-executive Director and a member of the audit committee of the Company with effect from 30 March 2009. He is also the Executive Vice President and the chairman of Publication and Publicity Committee of the International Financial Management Association. He is also a fellow member of The Hong Kong Institute of Directors. Mr. Leung holds a Master of Science in Economics and Finance in The University of Warwick of the United Kingdom. He is now a candidate to Doctor of Philosophy in Finance in Shanghai University of Finance and Economic of the People Republic of China. Currently, Mr. Leung is the director and head of Investment Banking of KGI Capital Asia Limited, and he is Responsible Officer for types 1, 4 and 6 regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). He is responsible for all daily investment banking related operations and providing corporate finance services in Greater China region.

Independent Non-Executive Directors

Mr. CHAN Chiu Hung, Alex, aged 43, holds a bachelor degree in Business Administration, major in Finance. He has been working with several listed and multinational companies for over 15 years. Mr. Chan is a fellow member of The Association of Chartered Certified Accountants, an associate member of The Hong Kong Institute of Certified Public Accountants, The Institute of Chartered Accountants in England and Wales, The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries. Mr. Chan is the chairman of the audit committee and a member of the remuneration committee of the Company.

Attorney Lorna Patajo KAPUNAN, aged 57, has been appointed as Independent Non-executive Director on 29 August 2008. She has been an active law practitioner in the Philippines for many years. She is a graduate from the University of the Philippines, College of Law and also majored in AB Political Science. Attorney Kapunan has a number of professional involvements throughout her legal career. The most recent ones include Founding President, Intellectual Property Alumni Association (IPAA); Councilor, Asean Patent Attorneys Association (APAA); Chairman, Copyright Committee (APAA); Regional President, Asean Intellectual Property Association (ASEAN IP); Director, Licensing Executive Society of the Philippines (LES); Chairman, Women Business Council of the Philippines and Chairman, National Issues Committee, Management Association of the Philippines. Attorney Kapunan is Senior Partner of Kapunan Lotilla Flores Garcia & Castillo and her fields of practice include Corporate, Franchising, Mergers and Acquisitions, Litigation, Intellectual Property and Family Laws. Attorney Kapunan was a director of Value Convergence Holdings Limited, a company listed in Hong Kong during the period from November 2000 to February 2008 and is currently a director of Elixir Gaming Technologies (EGT) Corporation, a company listed in the United States and Philippine Communication & Satellite Corp., a company listed in the Philippines. Attorney Kapunan is the chairlady of the remuneration committee and a member of audit committee to the Company.

Mr. CHENG Kai Tai, Allen, aged 45, has been appointed as Independent Non-executive Director and a member of the audit committee with effect from 20 March 2009. Mr. Cheng is a qualified accountant and a fellow of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. He has practised as a Certified Public Accountant in Hong Kong for over 12 years. Mr. Cheng has extensive professional experience in audit, taxation, financial management, corporate recovery and restructuring. He holds a Master degree of accountancy in Jinan University in Mainland China, and is now acting as a consultant of a number of international companies with business interests in textile, retailing, metal trading and manufacturing in Mainland China. Other than the present appointment, Mr. Cheng currently serves as an independent non-executive director of Modern Beauty Salon Holdings Limited (stock code: 919) and Lo's Enviro-Pro Holdings Limited (stock code: 309), both companies are listed on the main board of the Stock Exchange.

Mr. FANG Ang Zhen, aged 42, has been appointed as Independent Non-executive Director and a member of the audit committee with effect from 30 March 2009. Mr. Fang graduated with a master degree in economics from Jinan University in 1994. He also acquired his Attorney's Certificate of PRC in 1994. Mr. Fang was formerly the fund manager and vice president of Assets Operation of Nanshan Investment Fund Management Co., Ltd.. Mr. Fang is currently the director and vice president of Centergate VC Management Co., Ltd.; and the vice president of China Equity Platform Holding Group Limited. He has over 15 years profound experience in equity investment, security investment and capital running. Mr. Fang has also published books in securities, futures, investment funds, real estate and commercial banking. His writings include "Gaming With The Futures Market Wisely"; "Brokerage Practices: Equities, Investment Funds, Futures and Real Estate"; and "Modern Commercial Banking Practices".

Professor ZENG Zhong Lu, aged 53, has been appointed as Independent Non-executive Director and a member of the audit committee of the Company. Professor Zeng holds a Ph.D in International Economics in Nankai University in China. He is currently the Professor of Social & Economic Research Centre at Macao Polytechnic Institute, Vice Chairman of Gambling Research Committee of the Institute and Ph. D Dissertation Supervisor of Macao Science & Technology University. From 2002 to 2008, he was the Director of Department of Research & Publication and Acting Chief Deputy Editor of the Journal of Macao Polytechnic Institute. Professor Zeng has published many Monographs, books and Refereed Professional Journal Articles on his main research interests, including Strategic Management, Management Theory, Small Business Management, International Business and Gaming Industry Policy.

Senior Management

Chief Executive Officer

Mr. LI Kin Ho, Kenny, aged 39, graduated with a Bachelor of Science (Honours) Degree from Imperial College London. Mr. Li worked for several world renowned investment banks, including Credit Lyonnais, JP Morgan Chase, Credit Suisse and he was a Director and Head of AP Equity Derivatives and CB Sales at Barclays Capital Asia before joining the Company in May 2009.

Company Secretary

Mr. WONG Lee Ping, aged 44, the company secretary of the Company. He is an associate member of The Hong Kong Institute of Certified Public Accountants.

DIRECTORS' SERVICE CONTRACTS

Each of Mr. Cheung Nam Chung, Mr. Huang Xiang Rong and Ms. Li Wing Sze has a service contract with the Company which may be terminated by either party by written notice of not less than three months.

Save as disclosed above, no Director who is proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries, which is not determinable within one year without payment of compensation, other than statutory obligations.

DIRECTORS' INTERESTS IN CONTRACTS

No Director had a significant beneficial interest, either direct or indirect, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the date of this report, none of the directors, the management shareholders of the Company and their respective associates had any interest in a business which causes or may cause a significant competition with the business of the Company and any other conflicts of interest which any such person has or may have with the Company.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

Save as disclosed below, as at 31 March 2009, according to the register of interest kept by the Company under Section 336 of the Securities and Futures Ordinance (the "SFO") and so far as was known to the Directors, none of the Directors and chief executive of the Company held any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (i) where required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), to be notified to the Company and the Stock Exchange.

Name of Directors/Chief Executive	Number of shares held	Underlying shares held (Note)	Total	Approximate percentage of shareholding
Mr. Cheung Nam Chung	30,000	4,500,000	4,530,000	0.170%
Ms. Li Wing Sze	–	5,500,000	5,500,000	0.207%
Attorney Lorna Patajo Kapunan	–	2,600,000	2,600,000	0.098%
Mr. Chan Chiu Hung, Alex	20,000	2,600,000	2,620,000	0.099%
Mr. Wong Lee Ping	–	4,500,000	4,500,000	0.169%

Note: Detailed in the section headed "Share Options" below.

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under sections headed "Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares and Debentures" above, at no time during the year was the Company, or any of its subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate and neither the Directors nor any of their spouses or children under 18 years of age, had any right to subscribe for shares or debt securities of the Company, or had exercised any such rights during the year under review.

SUBSTANTIAL SHAREHOLDER

As at 31 March 2009, the register of interests and short position in the shares and underlying shares of the Company kept under section 336 of the SFO showed that, the following shareholders had an interest of 5% or more in the issued share capital of the Company.

Name of Shareholders	Number of Shares	Approximate percentage of shareholding
Janus Capital Management LLC (Note 1)	341,529,194	12.84%
Farringdon Capital Management Switzerland SA (Note 2)	248,322,000	9.34%
UBS AG (Note 3)	248,322,000	9.34%
Consolidated Press Holdings Limited (Note 4)	170,484,000	6.41%

Notes:

1. Janus Capital Management LLC is the investment management company which is owned by Janus Capital Group Inc., a company with its issued shares listed on the New York Stock Exchange (NYSE).

2. Farringdon Capital Management Switzerland SA is the investment management company which is owned as to 50% by Mr. Andreas Tholstrup and as to 50% by Mr. Bram Cornelisse.

3. UBS AG is a diversified global financial services company, with its main headquarters in Basel and Zurich, Switzerland. It is the world's largest manager of private wealth assets, "the world's biggest manager of other people's money" and is also the second-largest bank in Europe, by both market capitalisation and profitability.

4. Consolidated Press Holdings Limited is a company incorporated in Australia which is interested in the entire issued share capital of Consolidated Gaming Pty Ltd., and is therefore deemed to be interested in the 189,520,000 Shares held by Consolidated Gaming Pty Ltd..

MAJOR CONTRIBUTORS/CUSTOMERS AND SERVICE PROVIDERS/SUPPLIERS

Continuing operation – Investments in Gaming and entertainment segment

During the year, investment revenue from the Group's five largest contributors accounted for approximately 99% (2008: 98%) of the total revenue for the year and revenue from the largest contributors included therein accounted for approximately 98% (2008: 83%).

Amount paid to the Group's five largest services providers accounted for approximately Nil% (2008: 100%) of the total cost of services provided for the year and amount paid to the largest service providers included therein accounted for approximately Nil% (2008: 88%).

Discontinued operation – LCD products segment and LCD consumer products segment

During the year, revenue from the Group's five largest customers accounted for approximately 83% (2008: 81%) of the total revenue for the year and revenue from the largest customers included therein accounted for approximately 52% (2008: 39%).

Purchases from the Group's five largest suppliers accounted for approximately 42% (2008: 52%) of the total purchases for the year and purchases from the largest supplier included therein accounted for approximately 15% (2008: 22%).

None of the Directors, any of their associates or shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest contributors/customers or service provider/suppliers.

The Company had discontinued and disposed its operations in the sales of LCD and LCD modules business on 30 September 2008.

RETIREMENT BENEFIT SCHEMES

Details of the retirement benefit schemes of the Group and the employer's costs charged to the consolidated income statement for the year are set out in note 11 to the financial statements.

EMPLOYMENT AND REMUNERATION POLICY

At the end of the financial year under review, the Group employed approximately 20 permanent employees, in Hong Kong and Macau. The Group continued to review the remuneration packages of employees with reference to the level and composition of pay, general market condition and individual performance. Staff benefits include contribution to Mandatory Provident Fund Scheme and discretionary bonus, share option scheme, medical allowance and hospitalisation scheme and staff quarter.

ISSUE OF SHARES

On 20 March 2009, the Company entered into the Subscription Agreement with Mr. Ng Man Sun ("the Subscriber") pursuant to which the Company has allotted and issued 1,000,000,000 new Shares each in cash at a subscription price of approximately HK$0.40 per Share to the Subscriber. The subscription price payable by the Subscriber under the Subscription Agreement was satisfied by the Subscriber setting off against the face value of the Promissory Note in the sum of HK$400,000,000 held by the Subscriber. The said Subscription was approved by the Shareholders of the Company at a special general meeting on 11 May 2009.

PROMISSORY NOTE

Details of the promissory notes issued by the Company are set out in note 26 to the financial statements.

RELATED PARTY TRANSACTIONS

Details of material related party transactions of the Group are set out in note 34 to the financial statements.

PURCHASE, REDEMPTION OR SALE OF THE COMPANY'S LISTED SECURITIES

During the year, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Bye-laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, there is sufficiency of public float of the Company's securities as required under the Listing Rules.

CORPORATE GOVERNANCE

Throughout the year, the Company has compiled with all the code provision contained in the Appendix 14 to the Listing Rules. Principal Corporate Governance Practice adopted by the Company are set out in the Corporate Governance Report on page 15 of this Annual report.

CONFIRMATION OF INDEPENDENCE

The Company has received a written confirmation in respect of independence from each of the current Independent Non-executive Directors of the Company in compliance with rule 3.13 of the Listing Rules, and the Company still considers that each of them to be independent.

AUDITOR

CCIF CPA Limited was the auditor of the Group for the years ended 31 March 2006, 2007, 2008 and 2009.

CCIF CPA Limited retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of CCIF CPA Limited as auditor of the Group will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Cheung Nam Chung
Chairman

Hong Kong, 25 July 2009

CCIF
CCIF CPA LIMITED
20/F Sunning Plaza
10 Hysan Avenue
Causeway Bay, Hong Kong

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AMAX ENTERTAINMENT HOLDINGS LIMITED (FORMERLY KNOWN AS A-MAX HOLDINGS LIMITED AND TO BE RENAMED AS AMAX HOLDINGS LIMITED)
(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Amax Entertainment Holdings Limited (the "Company") set out on pages 37 to 120, which comprise the consolidated and the Company balance sheets as at 31 March 2009, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2009 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

CCIF CPA Limited
Certified Public Accountants

Betty P.C. Tse
Practising Certificate Number P03024

Hong Kong, 17 July 2009

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2009 (Expressed in Hong Kong Dollars)

	Note	2009 HK$'000	2008 HK$'000
Continuing operations:			
Turnover	4, 15	416,094	157,319
Cost of sales		–	(1,742)
Gross profit		416,094	155,577
Fair value loss on investment properties	16	(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	17	(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	19		
Share of operating profit		24,047	68,841
Share of amortisation of intangible asset and impairment of property, plant and equipment and intangible asset		(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	10(a)	30,325	6,307
Profit/(loss) for the year		78,790	(1,291,700)
Attributable to:			
Equity shareholders of the Company	12, 27(a)	78,843	(1,291,426)
Minority interests	27(a)	(53)	(274)
Profit/(loss) for the year	27(a)	78,790	(1,291,700)
Dividends	13	39,883	–

	Note	2009 HK$'000	2008 HK$'000 (Restated)
Earnings/(loss) per share			
From continuing and discontinued operations			
– basic	14(a)	**HK2.97 cents**	HK(81.59) cents
– diluted	14(b)	**HK2.96 cents**	HK(81.59) cents
From continuing operations			
– basic	14(a)	**HK1.82 cents**	HK(81.99) cents
– diluted	14(b)	**HK1.82 cents**	HK(81.99) cents
From discontinued operations			
– basic	14(a)	**HK1.14 cents**	HK0.40 cents
– diluted	14(b)	**HK1.14 cents**	HK0.40 cents

The notes on pages 45 to 120 form part of these financial statements.

CONSOLIDATED BALANCE SHEET

As at 31 March 2009 (Expressed in Hong Kong Dollars)

	Note	2009 HK$'000	2009 HK$'000	2008 HK$'000	2008 HK$'000
Non-current assets	16				
– Investment properties			3,390		4,112
– Other property, plant and equipment			5,040		5,900
			8,430		10,012
Intangible assets	17		19,921		30,407
Interest in an associate	19		887,822		1,137,708
Other financial asset	20		2,095,268		5,109,650
			3,011,441		6,287,777
Current assets					
Trade and other receivables	21	634,973		194,346	
Cash and cash equivalents	22	78,209		91,013	
		713,182		285,359	
Assets of disposal groups classified as held for sale	23	–		15,737	
		713,182		301,096	
Current liabilities					
Trade and other payables	24	(140,019)		(41,404)	
Borrowings	25	(6,600)		(5,000)	
		(146,619)		(46,404)	
Liabilities directly associated with assets of disposal groups classified as held for sale	23	–		(46,506)	
		(146,619)		(92,910)	
Net current assets			566,563		208,186
Total assets less current liabilities			3,578,004		6,495,963
Non-current liabilities					
Borrowings	25	–		(5,000)	
Promissory notes	26	(906,612)		(847,305)	
			(906,612)		(852,305)
NET ASSETS			2,671,392		5,643,658

CONSOLIDATED BALANCE SHEET

As at 31 March 2009 (Expressed in Hong Kong Dollars)

	Note	2009 HK$'000	2009 HK$'000	2008 HK$'000	2008 HK$'000
CAPITAL AND RESERVES	27				
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			**2,671,392**		5,643,605
Minority interests			**–**		53
TOTAL EQUITY			**2,671,392**		5,643,658

Approved and authorised for issue by the Board of Directors on 17 July 2009

Cheung Nam Chung
Director

Huang Xiang Rong
Director

The notes on pages 45 to 120 form part of these financial statements.

BALANCE SHEET

As at 31 March 2009 (Expressed in Hong Kong Dollars)

	Note	2009 HK$'000	2009 HK$'000	2008 HK$'000	2008 HK$'000
Non-current assets	16				
– Investment property			3,390		4,112
– Other property, plant and equipment			4,731		5,437
			8,121		9,549
Investments in subsidiaries	18		80,383		68,798
Interest in an associate	19		887,822		1,137,700
Other financial asset	20		1,850,000		1,900,000
			2,826,326		3,116,047
Current assets					
Trade and other receivables	21	61,595		66,802	
Cash and cash equivalents	22	32,571		43,908	
		94,166		110,710	
Current liabilities					
Trade and other payables	24	(80,848)		(11,056)	
Borrowings	25	(6,600)		(5,000)	
		(87,448)		(16,056)	
Net current assets			6,718		94,654
Total assets less current liabilities			2,833,044		3,210,701
Non-current liabilities					
Borrowings	25	–		(5,000)	
Promissory notes	26	(906,612)		(847,305)	
			(906,612)		(852,305)
NET ASSETS			1,926,432		2,358,396
CAPITAL AND RESERVES	27				
Share capital			26,589		26,589
Reserves			1,899,843		2,331,807
TOTAL EQUITY			1,926,432		2,358,396

Approved and authorised for issue by the Board of Directors on 17 July 2009

Cheung Nam Chung
Director

Huang Xiang Rong
Director

The notes on pages 45 to 120 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2009 (Expressed in Hong Kong Dollars)

		2009		2008	
	Note	HK$'000	HK$'000	HK$'000	HK$'000
Total equity at 1 April			5,643,658		1,759,916
Net income recognised directly in equity:					
Change in fair value of available-for-sale financial assets	27(a)	(3,014,382)		3,209,650	
Profit/(loss) for the year	27(a)	78,790		(1,291,700)	
Total recognised income and expense for the year			(2,935,592)		1,917,950
Attributable to:					
Equity shareholders of the Company		(2,935,539)		1,918,224	
Minority interests	27(a)	(53)		(274)	
		(2,935,592)		1,917,950	
Dividends paid to the Company's shareholders	13		(39,883)		–
Movements in equity arising from capital transactions:					
Shares issued under the placing	27(a),(c)(i)	–		2,000,000	
Share issuance expenses	27(a)	–		(41,080)	
Equity settled share-based transactions	27(a)	3,209		6,872	
			3,209		1,965,792
Total equity at 31 March			2,671,392		5,643,658

The notes on pages 45 to 120 form part of these financial statements.

	Note	2009 HK$'000	2009 HK$'000	2008 HK$'000	2008 HK$'000
Operating activities					
Profit/(loss) from operations					
– From continuing operations		357,983		74,618	
– From discontinued operations	10(b)	(2,848)		(7,271)	
		355,135		67,347	
Adjustments for:					
Decrease in fair value of investment properties		722		–	
Interest income		(341)		(966)	
Depreciation of property, plant and equipment		2,477		4,133	
Amortisation of intangible assets		2,535		5,231	
Impairment loss for intangible assets		7,951		32,183	
Loss on disposal of property, plant and equipment		1		2,469	
Equity-settled share-based payment expenses		3,209		6,872	
Foreign exchange loss		419		2,290	
Operating profit before changes in working capital		372,108		119,559	
Decrease in inventories		597		1,415	
Increase in trade and other receivables		(438,518)		(158,257)	
Increase in trade and other payables		94,638		15,669	
Net cash generated from/(used in) operating activities			28,825		(21,614)
Investing activities					
Payments for the purchase of investment properties		–		(4,112)	
Payments for the purchase of property, plant and equipment		(1,316)		(4,639)	
Proceeds from sales of property, plant and equipment		11		–	
Net cash outflow in respect of disposal of subsidiaries	30	(1,543)		(105)	
Payment for the purchase of available-for-sale financial asset		–		(1,900,000)	
Interest received		341		966	

	Note	2009 HK$'000	2009 HK$'000	2008 HK$'000	2008 HK$'000
Net cash used in investing activities			**(2,507)**		(1,907,890)
Financing activities					
Proceeds from new other borrowings		**8,284**		6,486	
Repayment of other borrowings		**(10,183)**		–	
Dividend paid to equity shareholders of the Company		**(39,883)**		–	
Proceeds from shares issued under placing		**–**		2,000,000	
Payment for share issuance expenses		**–**		(41,080)	
Net cash (used in)/generated from financing activities			**(41,782)**		1,965,406
Net (decrease)/increase in cash and cash equivalents			**(15,464)**		35,902
Cash and cash equivalents at 1 April	22		**93,673**		57,757
Effect of foreign exchange rate changes			**–**		14
Cash and cash equivalents at 31 March	22		**78,209**		93,673

The notes on pages 45 to 120 form part of these financial statements.

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.

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. 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. Note 3 provides information on the initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(b) Basis of preparation of the financial statements *(Continued)*

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 (see note 2(g)); and

– available-for-sale financial assets (see note 2(f)).

Non-current assets and disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell (see note 2(w)).

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.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 36.

(c) Subsidiaries and minority interests

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases.

Intra-group balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(c) Subsidiaries and minority interests *(Continued)*

Minority interests represent the portion of the net assets of subsidiaries attributable to interests that are not owned by the Company, whether directly or indirectly through subsidiaries, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. Minority interests are presented in the consolidated balance sheet within equity, separately from equity attributable to the equity shareholders of the Company. Minority interests in the results of the Group are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year between minority interests and the equity shareholders of the Company.

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

In the Company's balance sheet, an investment in a subsidiary is stated at cost less impairment losses (see note 2(l)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale) (see note 2(w)).

(d) Associate

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for in the consolidated financial statements under the equity method and is initially recorded at cost and adjusted thereafter for the post acquisition change in the Group's share of the associate's net assets, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale) (see note 2(w)). The consolidated income statement includes the Group's share of the post-acquisition, post-tax results of the associate for the year, including any amortization and impairment loss on property, plant and equipment and intangible assets relating to the investment in an associate recognised for the year (see notes 2(e) and (l)).

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. For this purpose, the Group's interest in the associate is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate.

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(d) Associate *(Continued)*

Unrealised profits and losses resulting from transactions between the Group and its associate are eliminated to the extent of the Group's interest in the associate, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

In the Company's balance sheet, investment in an associate is stated at cost less impairment losses (see note 2(l)), unless it is classified as held for sale (or included in a disposal group that is classified as held for sale)(see note 2(w)).

(e) Goodwill

Goodwill represents the excess of the cost of a business combination or an investment in an associate over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment (see note 2(l)). In respect of an associate, the carrying amount of goodwill is included in the carrying amount of the interest in the associate.

Any excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of a business combination or an investment in an associate is recognised immediately in profit or loss.

On disposal of a cash generating unit or an associate during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

(f) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments. Available-for-sale financial assets are initially recognised at their fair value, which is their transaction price. At each balance sheet date the fair value is remeasured, with any resultant gain or loss being recognised directly in equity in the fair value reserve. Income from these financial assets is recognised in accordance with the policy set out in note 2(t)(iv). When these financial assets are derecognised or impaired (see note 2(l)), the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss previously recognised directly in equity is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(g) Investment property

Investment properties are land and/or buildings which are owned or held under a leasehold interest (see note 2(j)) to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use.

Investment properties are stated in the balance sheet at fair value. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognised in profit or loss. Rental income from investment properties is accounted for as described in note 2(t)(iii).

When the Group holds a property interest under an operating lease to earn rental income and/or for capital appreciation, the interest is classified and accounted for as an investment property on a property-by-property basis. Any such property interest which has been classified as an investment property is accounted for as if it were held under a finance lease (see note 2(j)), and the same accounting policies are applied to that interest as are applied to other investment properties leased under finance leases. Lease payments are accounted for as described in note 2(j).

(h) Property, plant and equipment

Property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses (see note 2(l)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net proceeds on disposal and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

–	Leasehold improvements	Over the shorter of the lease terms or 5 years
–	Plant and machinery	5 years
–	Furniture and equipment	5 years
–	Motor vehicles	5 years

Where parts of an item of property, plant equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(i) Intangible assets (other than goodwill)

Intangible assets that the acquired by the Group are stated in the balance sheet at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see note 2(l)). Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

– Rights in sharing of Profit Streams for VIP gaming related operation and slot machine related operation	14 years

Both period and method of amortisation are reviewed annually.

Intangible assets are not amortised while their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite lives as set out above.

(j) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases, with the following exception:

– property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease (see note 2(g)).

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(j) Leased assets *(Continued)*

(ii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are written off as an expense of the accounting period in which they are incurred.

(k) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost less allowance for impairment losses of doubtful debts (see note 2(l)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts (see note 2(l)).

(l) Impairment of assets

(i) Impairment of financial assets

Financial assets that are stated at cost or amortised cost or are classified as available-for-sale financial assets are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

– significant financial difficulty of the debtor;

– a breach of contract, such as a default or delinquency in interest or principal payments;

– it becoming probable that the debtor will enter bankruptcy or other financial reorganization;

– significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and

– a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(l) Impairment of assets *(Continued)*

(i) Impairment of financial assets (Continued)

If any such evidence exists, any impairment loss is determined and recognised as follows:

– For trade and other current receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where financial assets carried at amortised cost share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

For available-for-sale financial assets which are stated at fair value when a decline in the fair value has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognized directly in equity shall be removed from equity and recognised in profit or loss even though the financial assets has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss in respect of available-for-sale financial assets are not reversed through profit or loss. Any subsequent increase in the fair value of such assets is recognised directly in equity.

Impairment loss in respect of available-for-sale debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognized. Reversals of impairment loss in such circumstances are recognized in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(l) Impairment of assets *(Continued)*

(i) Impairment of financial assets (Continued)

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade debtors included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade debtors directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

(ii) Impairment of other assets

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

– property, plant and equipment (other than investment properties carried at revalued amounts);

– intangible assets; and

– investments in subsidiaries and associate (except for those classified as being held for sale).

If any such indication exists, the asset's recoverable amount is estimated. In addition, for intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

– Calculation of recoverable amount

The recoverable amount of an asset is the greater of its net selling price and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e., a cash-generating unit).

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(l) Impairment of assets *(Continued)*

(ii) Impairment of other assets (Continued)

– Recognition of impairment losses

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

– Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(m) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the first-in, first-out basis and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period in which the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(n) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fee payable, using the effective interest method.

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(o) Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(p) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments and cash chips which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement.

(q) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using the Binomial Option Pricing Model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the capital reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

(iii) Termination benefits

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(r) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised directly in equity, in which case they are recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided that those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary differences or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(r) Income tax *(Continued)*

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognized when the liability to pay the related dividends is recognized.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

– in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

– in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:

  – the same taxable entity; or

  – different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(s) Provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of an outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of an outflow of economic benefits is remote.

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(t) Revenue recognition

Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the profit or loss as follows:

(i) Investments in gaming and entertainment related business

Revenue from investments in gaming and entertainment related business, representing the sharing of net gaming wins and commissions received is recognised when the relevant services have been rendered and is measured when the entitlement of economic inflow from the business to the Group is probable.

(ii) Sale of goods

Revenue is recognised when the goods are delivered which is taken to be the point in time when the customer has accepted the goods and the related risks and rewards of ownership. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts and returns.

(iii) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset.

(iv) Income from investments

Income from unlisted investments is recognised when the Group's right to receive payment is established.

(v) Interest income

Interest income recognised as it accrues using the effective interest method.

(u) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the balance sheet date. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(u) Translation of foreign currencies *(Continued)*

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Balance sheet items are translated into Hong Kong dollars at the foreign exchange rates ruling at the balance sheet date. The resulting exchange differences are recognised directly in a separate component of equity.

On disposal of a foreign operation, the cumulative amount of the exchange differences recognised in equity which relate to that foreign operation is included in the calculation of the profit or loss on disposal.

(v) Borrowing costs

Borrowing costs are expensed in profit or loss in the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale.

The capitalization of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(w) Non-current assets held for sale and discontinued operations

(i) Non-current assets held for sale

A non-current asset (or disposal group) is classified as held for sale if it is highly probable that its carrying amount will be recovered through a sale transaction rather than through continuing use and the asset (or disposal group) is available for sale in its present condition. A disposal group is a group of assets to be disposed of together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction.

Immediately before classification as held for sale, the measurement of the non-current assets (and all individual assets and liabilities in a disposal group) is brought up-to-date in accordance with the accounting policies before the classification. Then, on initial classification as held for sale and until disposal, the non-current assets (except for certain assets as explained below), or disposal groups, are recognised at the lower of their carrying amount and fair value less costs to sell. The principal exceptions to this measurement policy so far as the financial statements of the Group and the Company are concerned are deferred tax assets, financial assets and investment properties. These assets, even if held for sale, would continue to be measured in accordance with the policies set out elsewhere in note 2.

Impairment losses on initial classification as held for sale, and on subsequent remeasurement while held for sale, are recognised in profit or loss. As long as a non-current asset is classified as held for sale, or is included in a disposal group that is classified as held for sale, the non-current asset is not depreciated or amortised.

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(w) Non-current assets held for sale and discontinued operations *(Continued)*

(ii) Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographical area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale (see (i) above), if earlier. It also occurs when the operation is abandoned.

Where an operation is classified as discontinued, a single amount is presented on the face of the income statement, which comprises:

– the post-tax profit or loss of the discontinued operation; and

– the post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on the disposal, of the assets or disposal group(s) constituting the discontinued operation.

(x) Related parties

For the purposes of these financial statements, a party is considered to be related to the Group if:

(i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;

(ii) the Group and the party are subject to common control;

(iii) the party is an associate of the Group;

(iv) the party is a member of key management personnel of the Group or the Group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;

(v) the party is a close family member of a party referred to in (i) or (iv) or is an entity under the control, joint control or significant influence of such individuals; or

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(x) Related parties *(Continued)*

(vi) the party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

(y) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

In accordance with the Group's internal financial reporting system, the Group has chosen business segment information as the primary reporting format and geographical segment information as the secondary reporting format for the purposes of these financial statements.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. For example, segment assets may include trade receivables and property, plant and equipment. Segment revenue, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group entities within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.

Unallocated items mainly comprise financial and corporate assets, interest-bearing loans, borrowings, tax balances, corporate and financing expenses.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

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]

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS *(Continued)*

[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.

4. TURNOVER AND OTHER REVENUE

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

	2009 HK$'000	2008 HK$'000
Continuing operations:		
Revenue from investments in gaming and entertainment related business		
– Investment in Junket related operation (see note (i) below)	409,750	131,340
– Investment in VIP gaming related operation (see note (ii) below)	4,481	18,195
– Investment in LIVE Baccarat system operation (see note (iii) below)	586	1,640
– Investment in slot machine operation (see note (iv) below)	1,277	1,884
	416,094	153,059
Revenue from sales of travel package	–	4,260
	416,094	157,319
Discontinued operations (note 10):		
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 (see note 20(b)) and the Second Profit Transfer Agreement (see note 20(b)).

4. TURNOVER AND OTHER REVENUE *(Continued)*

(a) *(Continued)*

Notes: *(Continued)*

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

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
	4,685,423	1,899,358
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)
	(4,173,235)	(1,735,183)
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

4. TURNOVER AND OTHER REVENUE *(Continued)*

(a) *(Continued)*

Notes: *(Continued)*

(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 HK$'000	2008 HK$'000
Share of net gaming wins	12,363	43,300
Chip commission	10,214	61,321
Fees and allowances	2,469	18,536
	25,046	123,157
Operating expenses		
Special gaming tax and funds to the Macau Government	(124)	(852)
Commission to collaborators	(18,858)	(91,441)
	(18,982)	(92,293)
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 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.

4. TURNOVER AND OTHER REVENUE *(Continued)*

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

	2009 HK$'000	2008 HK$'000
Continuing operations:		
Interest income from banks (see note below)	340	964
Rental income	180	120
Sundry income	83	9
	603	1,093
Discontinued operations (note 10):		
Interest income from banks (see note below)	1	2
Sundry income	48	68
	49	70
	652	1,163

Note:

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

	2009 HK$'000	2008 HK$'000
Interest income from banks:		
– continuing operations	340	964
– discontinued operations	1	2
	341	966

5. PROFIT FROM OPERATIONS

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

	2009 HK$'000	2008 HK$'000
(a) Staff costs:		
Continuing operations:		
Contributions to defined contribution retirement plans	552	243
Equity-settled share-based payment expenses (note 28)	3,209	6,872
Salaries, wages and other benefits	18,386	15,137
	22,147	22,252
Discontinued operations (note 10):		
Contributions to defined contribution retirement plans	21	148
Salaries, wages and other benefits	4,509	8,539
	4,530	8,687
	26,677	30,939
(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)	(111)	(62)
Discontinued operations (note 10):		
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	20,594	45,935

6. FINANCE COSTS

	2009 HK$'000	2008 HK$'000
Continuing operations:		
Interest on bank advances and other borrowings wholly repayable within five years	325	316
Interest on promissory notes	59,307	55,427
	59,632	55,743
Discontinued operations (note 10):		
Interest on borrowings wholly repayable within five years	1,124	1,935
Total interest expense on financial liabilities not at fair value through profit or loss	60,756	57,678

7. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

(a) Continuing operations

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

	2009 HK$'000	2008 HK$'000
Current tax – Hong Kong profits tax		
Over-provision in prior years	–	(7)

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.

7. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT *(Continued)*

(a) Continuing operations *(Continued)*

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

	2009 HK$'000	2008 HK$'000
Profit/(loss) before taxation	48,465	(1,298,014)
Notional tax on profit/(loss) before taxation, calculated at the rates applicable to profits/(loss) in the tax jurisdictions concerned	7,996	(227,152)
Tax effect of non-deductible expenses	54,784	276,033
Tax effect of non-taxable income	(68,903)	(54,596)
Tax effect of unused tax losses not recognised	6,123	5,724
Tax effect of prior years' unrecognised tax losses utilised this year	–	(9)
Over-provision in prior years	–	(7)
Actual tax credit	–	(7)

(b) Discontinued operations (note 10)

(i) 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.

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

	2009 HK$'000	2008 HK$'000
Loss before taxation	(3,972)	(9,206)
Notional tax on loss before taxation, calculated at the rates applicable to loss in the tax jurisdictions concerned	(655)	(1,611)
Tax effect of non-deductible expenses	362	781
Tax effect of non-taxable income	(33)	(136)
Tax effect of unused tax losses not recognised	326	966
Actual tax expense	–	–

7. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT *(Continued)*

(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. DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to Section 161 of the Hong Kong Companies Ordinance are as follows:

For the year ended 31 March 2009

	Note	Directors' fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Discretionary bonuses HK$'000	Retirement scheme contributions HK$'000	Sub-total HK$'000	Share-based payments (note (k) below) HK$'000	Total HK$'000
Executive directors								
Mr. Cheung Nam Chung		–	2,190	200	119	2,509	644	3,153
Mr. Chan Ying Tat	(a)	–	4,050	–	101	4,151	–	4,151
Mr. Chan Chi Yuen	(d)	–	2,079	150	105	2,334	–	2,334
Mr. Lam Cheok Va, Francis	(e)	–	822	80	53	955	–	955
Ms. Li Wing Sze		–	709	65	47	821	788	1,609
Mr. Huang Xiang Rong	(f)	–	19	–	–	19	–	19
Non-executive directors								
Mr. Leung Kin Cheong, Laurent	(j)	–	–	–	–	–	–	–
Mr. Hau Chi Kit	(h)	117	–	–	–	117	128	245
Independent non-executive directors								
Mr. Chan Chiu Hung, Alex		158	–	–	–	158	128	286
Mr. Cheung Kai Tai, Allen	(f)	–	–	–	–	–	–	–
Ms. Lorna Patajo Kapunan	(g)	118	–	–	–	118	128	246
Mr. Kou Hoi In	(g) & (e)	112	–	–	–	112	–	112
Mr. Fang Ang Zheng	(j)	–	–	–	–	–	–	–
Mr. Lee Tsz Hong	(i)	40	–	–	–	40	–	40
Mr. Ng Wai Hung, Raymond	(i)	40	–	–	–	40	–	40
		585	9,869	495	425	11,374	1,816	13,190

8. DIRECTORS' EMOLUMENTS *(Continued)*

For the year ended 31 March 2008

	Note	Directors' fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Discretionary bonuses HK$'000	Retirement scheme contributions HK$'000	Sub-total HK$'000	Share-based payments (note (k) below) HK$'000	Total HK$'000
Executive directors								
Mr. Cheung Nam Chung		–	1,844	800	48	2,692	765	3,457
Mr. Chan Ying Tat	(a)	–	887	1,490	48	2,425	1,531	3,956
Mr. Chan Chi Yuen		–	1,119	800	39	1,958	765	2,723
Mr. Lam Cheok Va, Francis		–	296	400	10	706	170	876
Ms. Li Wing Sze		–	400	400	23	823	936	1,759
Mr. Wan Kam Shing, Claude	(c)	–	513	–	4	517	–	517
Mr. Chen Zhiquan	(b)	68	–	–	–	68	–	68
Mr. Lee Keung Shing	(b)	68	–	–	–	68	–	68
Independent non-executive directors								
Mr. Chan Chiu Hung, Alex		96	–	–	–	96	–	96
Mr. Lee Tsz Hong	(i)	96	–	–	–	96	–	96
Mr. Ng Wai Hung, Raymond	(i)	96	–	–	–	96	–	96
		424	5,059	3,890	172	9,545	4,167	13,712

There was no amount paid during the years ended 31 March 2009 and 2008 to the Directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office. There was no arrangement under which the above Directors of the Company waived or agreed to waive any emoluments during the years ended 31 March 2009 and 2008.

8. DIRECTORS' EMOLUMENTS *(Continued)*

Notes:

(a) Appointed on 15 December 2007 and resigned on 13 November 2008.

(b) Resigned on 15 December 2007.

(c) Appointed on 13 June 2007 and resigned on 27 September 2007.

(d) Resigned on 31 January 2009.

(e) Resigned on 20 March 2009.

(f) Appointed on 20 March 2009.

(g) Appointed on 29 August 2008.

(h) Appointed as independent non-executive director on 29 August 2008, redesignated as non-executive director on 6 October 2008 and resigned on 30 March 2009.

(i) Retired on 29 August 2008.

(j) Appointed on 30 March 2009.

(k) These represent the estimated value of share options granted to the Directors under the Company's share option scheme. The value of these share options is measured according to the Group's accounting policies for share-based payments as set out in note 2(q)(ii) and, in accordance with that policy, includes adjustments to reverse amounts accrued in previous years where grants of equity instruments are forfeited prior to vesting.

The details of these benefits in kind, including the principal terms and number of options granted, are disclosed in note 28.

9. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, four (2008: four) are Directors of the Company whose emoluments are disclosed in note 8 above. The emoluments of the remaining one (2008: one) individual is as follows:

	2009 HK$'000	2008 HK$'000
Salaries and other emoluments	**660**	241
Share-based payments	**1,232**	1,463
Retirement scheme contributions	**12**	4
Discretionary bonuses	**–**	30
	1,904	1,738

The emoluments of the one (2008: one) individuals with highest emoluments are within the following band:

	2009 Number of individuals	2008 Number of individuals
HK$		
Nil – 1,000,000	**–**	–
1,500,001 – 2,000,000	**1**	1

During the year ended 31 March 2009 and 2008, no emoluments were paid by the Group to any of the five highest paid individuals as an inducement to join or upon joining the Group or as a compensation for loss of office.

10. 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 (see note 30(a)); 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 (see note 30(b)).

10. DISCONTINUED OPERATIONS *(Continued)*

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

	2009 HK$'000	2008 HK$'000
Loss of the discontinued operations for the year	(3,972)	(9,206)
Gain on disposal of the discontinued operations (see note 30)	34,297	15,513
	30,325	6,307

(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:

	Note	2009 HK$'000	2008 HK$'000
Turnover	4, 15	25,170	56,511
Cost of sales		(20,315)	(45,702)
Gross profit		4,855	10,809
Other revenue	4	49	70
Selling and distribution expenses		(2,832)	(5,308)
General and administrative expenses		(4,920)	(12,842)
Loss from operations	5	(2,848)	(7,271)
Finance costs	6	(1,124)	(1,935)
Loss before taxation		(3,972)	(9,206)
Income tax	7	–	–
Loss for the year		(3,972)	(9,206)

10. DISCONTINUED OPERATIONS *(Continued)*

(c) The net cash flows contributed by the discontinued operations up to the date of completion of disposal, which have been included in the consolidated cash flow statement for the years ended 31 March 2009 and 2008 were as follows:

	Profit Goal Group 2009 HK$'000	AMGP Group 2008 HK$'000
Net cash outflow from operating activities	**(2,379)**	(4,889)
Net cash outflow from investing activities	**(196)**	(256)
Net cash inflow from financing activities	**1,459**	6,486
Net cash (outflow)/inflow incurred by the discontinued operation	**(1,116)**	1,341

(d) No charge or credit arose on gain on discontinuance of the operations.

(e) The carrying amounts of the assets and liabilities of the discontinued operations at the date of completion of disposal are disclosed in note 30.

11. RETIREMENT BENEFIT SCHEMES

The Group operates a mandatory provident fund scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the consolidated income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with employees when being contributed into the MPF Scheme.

In addition to the participation in the MPF Scheme, the Group is required to contribute to a defined contribution retirement scheme for its employees in the People's Republic of China (the "PRC") on the applicable basis and rates in accordance with the relevant government regulations.

The only obligation of the Group with respect to the retirement benefit schemes is to make the required contributions under the respective schemes.

The total costs charged to the consolidated income statement of approximately HK$573,500 (2008: HK$391,000) represent contributions payable to the retirement benefit schemes in Hong Kong and the PRC by the Group for the year at rates specified in the rules of the relevant schemes.

12. PROFIT/(LOSS) ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

The consolidated profit/(loss) attributable to equity shareholders of the Company includes a loss of approximately HK$395,290,000 (2008: HK$1,284,116,000) which has been dealt with in the financial statements of the Company.

Reconciliation of the Company's loss for the year:

	2009 HK$'000	2008 HK$'000
Amount of consolidated loss attributable to equity shareholders dealt with in the Company's financial statements	(395,290)	(1,284,116)
Dividends from subsidiaries attributable to the profits of the previous financial year, approved and paid during the year	–	52,990
Company's loss for the year (note 27(b))	(395,290)	(1,231,126)

13. 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	39,883	–

14. 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	30,325	6,307
	78,843	(1,291,426)

(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 (see note 27(c)(ii))	(23,930,008)	(14,245,267)
Weighted average number of ordinary shares at 31 March	2,658,889	1,582,807

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.

14. EARNINGS/(LOSS) PER SHARE *(Continued)*

(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 '000	2008 '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 (note 28)	**1,305**	–
Weighted average number of ordinary shares (diluted) for the purpose of diluted earnings per share	**2,660,194**	1,582,807

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.

15. 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	416,094	–	416,094	25,170	–	25,170	441,264
Results							
Segment results	400,653	–	400,653	(2,848)	–	(2,848)	397,805
Unallocated income and expenses	–	(42,670)	(42,670)			–	(42,670)
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	–	–	–			–	–
Profit/(loss) for the year	91,135	(42,670)	48,465			30,325	78,790

15. SEGMENT INFORMATION *(Continued)*

(a) Business segments *(Continued)*

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	157,319	–	157,319	56,511	–	56,511	213,830
Results							
Segment results	110,416	–	110,416	(5,246)	(2,025)	(7,271)	103,145
Unallocated income and expenses	–	(35,798)	(35,798)			–	(35,798)
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	7	–	7			–	7
(Loss)/profit for the year	(1,262,209)	(35,798)	(1,298,007)			6,307	(1,291,700)

15. SEGMENT INFORMATION *(Continued)*

(a) Business segments *(Continued)*

As at 31 March 2009

	Continuing operations	Discontinued operations			
	Investments in gaming and entertainment related business HK$'000	LCD products HK$'000	LCD consumer products HK$'000	Sub-total HK$'000	Total HK$'000
Assets					
Segment assets	2,788,636	–	–	–	2,788,636
Interest in an associate	887,822				887,822
Unallocated assets					48,165
Total assets					3,724,623
Liabilities					
Segment liabilities	1,043,551	–	–	–	1,043,551
Unallocated liabilities					9,680
Total liabilities					1,053,231
Other segment information:					
Capital expenditure incurred during the year	–	198	–	198	198
Unallocated capital expenditure incurred during the year					1,118
					1,316
Depreciation and amortisation for the year	2,535	511	–	511	3,046
Unallocated depreciation and amortisation for the year					1,966
					5,012
Impairment of intangible assets	7,951	–	–	–	7,951

15. SEGMENT INFORMATION *(Continued)*

(a) Business segments *(Continued)*

As at 31 March 2008

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

15. SEGMENT INFORMATION *(Continued)*

(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	382	416,094	3,875	17,485	–	2,957	378	93	441,264
Segment assets									
– Continuing operations	9,700	3,682,336	–	–	–	–	–	–	3,692,036
– Discontinued operations	–	–	–	–	–	–	–	–	–
	9,700	3,682,336	–	–	–	–	–	–	3,692,036
– Unallocated assets									32,587
									3,724,623
Segment capital expenditure									
– Continuing operations	–	–	–	–	–	–	–	–	–
– Discontinued operations	–	198	–	–	–	–	–	–	198
	–	198	–	–	–	–	–	–	198
– Unallocated									1,118
									1,316

15. SEGMENT INFORMATION *(Continued)*

(b) Geographical segments *(Continued)*

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	724	–	8,671	26,710	12,491	7,125	644	146	56,511
Revenue from external customers	4,984	153,059	8,671	26,710	12,491	7,125	644	146	213,830
Segment assets									
– Continuing operations	10,545	6,511,121	–	–	–	–	–	–	6,521,666
– Discontinued operations	14,761	–	976	–	–	–	–	–	15,737
	25,306	6,511,121	976	–	–	–	–	–	6,537,403
– Unallocated assets									51,470
									6,588,873
Segment capital expenditure									
– Continuing operations	4,112	–	–	–	–	–	–	–	4,112
– Discontinued operations	76	181	–	–	–	–	–	–	257
	4,188	181	–	–	–	–	–	–	4,369
– Unallocated									4,381
									8,750

16. NON-CURRENT ASSETS

(a) The Group

	Leasehold improvements HK$'000	Other non-current assets HK$'000	Sub-total HK$'000	Investment properties HK$'000	Total non-current assets HK$'000	Assets of disposal groups classified as held for sale HK$'000
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)	–
Disposal of subsidiaries	–	–	–	–	–	(28,045)
At 31 March 2008	3,959	3,875	7,834	4,112	11,946	132,182
Representing:						
Cost	3,959	3,875	7,834	–	7,834	132,182
Valuation – 2008	–	–	–	4,112	4,112	–
	3,959	3,875	7,834	4,112	11,946	132,182
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	–
	4,172	4,765	8,937	3,390	12,327	–

16. NON-CURRENT ASSETS *(Continued)*

(a) The Group *(Continued)*

	Leasehold improvements HK$'000	Other non-current assets HK$'000	Sub-total HK$'000	Investment properties HK$'000	Total non-current assets HK$'000	Assets of disposal groups classified as held for sale HK$'000
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
Write back on disposals	(286)	(193)	(479)	–	(479)	–
Disposal of subsidiaries	–	–	–	–	–	(19,744)
At 31 March 2008	1,143	791	1,934	–	1,934	130,470
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**	**–**
Net carrying value:						
At 31 March 2009	**1,978**	**3,062**	**5,040**	**3,390**	**8,430**	**–**
At 31 March 2008	2,816	3,084	5,900	4,112	10,012	1,712

16. NON-CURRENT ASSETS *(Continued)*

(b) The Company

	Leasehold improvements HK$'000	Other non-current assets HK$'000	Sub-total HK$'000	Investment properties HK$'000	Total non-current assets HK$'000
Cost or valuation:					
At 1 April 2007	2,115	2,453	4,568	–	4,568
Additions	2,898	1,482	4,380	4,112	8,492
Disposals	(2,115)	(832)	(2,947)	–	(2,947)
At 31 March 2008	2,898	3,103	6,001	4,112	10,113
Representing:					
Cost	2,898	3,103	6,001	–	6,001
Valuation – 2008	–	–	–	4,112	4,112
	2,898	3,103	6,001	4,112	10,113
At 1 April 2008	2,898	3,103	6,001	4,112	10,113
Additions	213	905	1,118	–	1,118
Disposals	–	(15)	(15)	–	(15)
Fair value adjustment	–	–	–	(722)	(722)
At 31 March 2009	**3,111**	**3,993**	**7,104**	**3,390**	**10,494**
Representing:					
Cost	3,111	3,993	7,104	–	7,104
Valuation – 2009	–	–	–	3,390	3,390
	3,111	3,993	7,104	3,390	10,494

16. NON-CURRENT ASSETS *(Continued)*

(b) The Company *(Continued)*

	Leasehold improvements HK$'000	Other non-current assets HK$'000	Sub-total HK$'000	Investment properties HK$'000	Total non-current assets HK$'000
Depreciation and impairment:					
At 1 April 2007	285	517	802	–	802
Charge for the year	82	158	240	–	240
Write back on disposals	(285)	(193)	(478)	–	(478)
At 31 March 2008	82	482	564	–	564
At 1 April 2008	82	482	564	–	564
Charge for the year	1,052	760	1,812	–	1,812
Write back on disposals	–	(3)	(3)	–	(3)
At 31 March 2009	**1,134**	**1,239**	**2,373**	**–**	**2,373**
Net carrying value:					
At 31 March 2009	**1,977**	**2,754**	**4,731**	**3,390**	**8,121**
At 31 March 2008	2,816	2,621	5,437	4,112	9,549

(c) All investment properties of the Group and the Company carried at fair value were revalued as at 31 March 2009 on an open market value basis calculated by reference to recent market transactions in comparable properties. The valuations were carried out by an independent firm of surveyors, Grant Sherman Appraisal Limited, who has among their staff Fellows of the Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued.

(d) As at 31 March 2009 and 2008, all investment properties of the Group and the Company are held in Hong Kong on long leases.

16. NON-CURRENT ASSETS *(Continued)*

(e) Investment properties leased out under operating leases

The Group leases out certain of the Group's investment properties under operating leases. The leases typically run for an initial period of one to two years, with an option to renew the lease after that date at which time all terms are renegotiated. None of the leases includes contingents rentals.

All of the Group's property interests held under operating leases to earn rentals are measured using the fair value model and are classified and accounted for as investment properties.

The Group's total future minimum lease payments under non-cancellable operating leases are receivable as follows:

	2009	2008
	HK$'000	HK$'000
Within 1 year	**180**	–
After 1 year but within 5 years	**375**	–
	555	–

17. INTANGIBLE ASSETS

The Group

	Rights in sharing of Profit Streams for		Total
	VIP gaming related operation HK$'000	**Slot machine operation** HK$'000	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 amortisation charge for the year is included in "general and administrative expenses" in the consolidated income statement.

17. INTANGIBLE ASSETS *(Continued)*

Impairment loss

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 amortisation and impairment losses.

In view of the weakening global economy, intensifying competition from newly-opened casinos in Macau, and the tightening of Mainland China's policy on visa issuance to the PRC nationals to visit Macau, visitor growth in Macau has slowed down in 2008 and adversely affected the Macau gaming market. The Group reviews internal and external sources of information in respect of the rights in sharing of Profit Streams at 31 March 2009 and 2008 to identify indications that the above intangible assets may be 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 calculation. 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 seven years (2008: eight years) are extrapolated using the estimated rates stated below.

Key assumptions used for value-in-use calculations:

For the year ended 31 March 2009

	Right 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**

For the year ended 31 March 2008

	Right in sharing of profit streams	
	VIP gaming related operation %	Slot machine operation %
– Growth in revenue year-on-year	8.0	8.0
– Discount rate	18.3	18.3

17. INTANGIBLE ASSETS *(Continued)*

Impairment loss *(Continued)*

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 2009 and 2008 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 right in sharing of profit streams for VIP gaming related operation and slot machine operation are greater than its recoverable amount and the management considered that impairment losses of approximately HK$3,708,000 and HK$4,243,000 respectively (2008: nil and HK$32,183,000 respectively) are necessary and are recognised in the consolidated income statement for the year ended 31 March 2009.

18. INVESTMENTS IN SUBSIDIARIES

	2009	2008
	HK$'000	HK$'000
Unlisted shares, at cost	**118,790**	68,798
Less: impairment loss (note (a))	**(38,407)**	–
	80,383	68,798

(a) Impairment on investments in subsidiaries

At 31 March 2009, the investment costs of two subsidiaries which were engaged in investments in slot machine operation and sales of travel package respectively, were determined to be impaired as operating performances of these two subsidiaries were unsatisfactory. After considering the profitability, cash flow position, financial position, business development forecast and future prospect of these two subsidiaries, the Directors concluded that it is appropriate to make an impairment loss of approximately HK$38,407,000 (2008: nil) on the investment cost. The recoverable amounts of the investments in these two subsidiaries, based upon which impairment loss is arrived at, are their respective fair value less cost to sell.

18. INVESTMENTS IN SUBSIDIARIES *(Continued)*

(b) Particulars of the subsidiaries at 31 March 2009 are as follows:

Name of subsidiary	Place of incorporation and operation	Particulars of issued and paid-up share capital	Proportion of equity interest: Group's effective interest	Proportion of equity interest: Held by the Company	Principal activities
Ace High Group Limited	The British Virgin Islands ("BVI")	US$10,000	100%	100%	Investment in junket related operation
GMC Management Limited	Hong Kong	HK$10,000	100%	100%	Inactive
Hong Kong Macau Express Limited	Hong Kong	HK$750,000	51%	51%	Inactive
Gold Faith Development Limited	BVI	US$50,000	100%	100%	Investment in LIVE Baccarat system operation and ceased operation during the year
Jadepower Limited	BVI	US$1,000	100%	100%	Investment in slot machine operation
Super Peak Limited	BVI	US$1,000	100%	100%	Not yet commence business
Thousand Ocean Investments Limited	BVI	US$1,000	100%	100%	Investment in VIP gaming related operation

19. INTEREST IN AN ASSOCIATE

	The Group		The Company	
	2009 HK$'000	2008 HK$'000	**2009 HK$'000**	2008 HK$'000
Unlisted shares, at cost	**–**	–	**2,332,479**	2,332,479
Share of net assets	**887,822**	1,137,708	**–**	–
Sub-total	**887,822**	1,137,708	**2,332,479**	2,332,479
Less: Impairment loss	**–**	–	**(1,444,657)**	(1,194,779)
	887,822	1,137,708	**887,822**	1,137,700

(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$'000	Amortisation of intangible assets HK$'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	1,264,680	376,858	887,822	81,752	24,047	(77,436)	(196,497)	(249,886)

	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$'000	Amortisation of intangible assets HK$'000	Impairment of property, plant and equipment and intangible assets 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	1,503,707	365,999	1,137,708	131,330	68,841	(178,075)	(1,207,655)	(1,316,889)

19. INTEREST IN AN ASSOCIATE *(Continued)*

(c) Impairment of intangible asset of the associate

In view of the weakening global economy, intensifying competition from newly-opened casinos in Macau during the years ended 31 March 2009 and 2008, and the tightening of Mainland China's policy on visa issuance to the PRC nationals to visit Macau, visitor growth in Macau has slowed down and adversely affected the Macau gaming market. The management of the associate reviews internal and external sources of information in respect of the gaming operations of the Greek Mythology Casino under the gaming concession from SJM, which owns one of the gaming concessions in Macau, to identify indications that the relevant intangible asset which is a right in sharing of Profit Streams from gaming related operation in the Greek Mythology Casino having an estimated useful life of 14 years from 1 April 2006, may be impaired.

The recoverable amount of the above intangible asset is determined based on value-in-use calculation. 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 seven years (2008: eight years) are extrapolated using the estimated rates stated below.

Key assumptions used for value-in-use calculations:

	2009	2008
	%	%
– Growth in revenue year-on-year	**3 – 12**	9.00
– Discount rate	**10.50**	14.68

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

The above value-in-use calculations as at 31 March 2009 were contained in a report based on a valuation carried out by an independent professional valuer, Grant Sherman Appraisal Limited with recent experience in conducting business and intangible assets valuation in gaming and entertainment industry in Macau.

Based on above valuations, the carrying amount of the intangible asset as at 31 March 2009 and 2008 respectively is greater than its recoverable amount, and the management considered that an impairment loss of approximately HK$336,898,000 (2008: HK$2,420,150,000) is necessary at the associate level. The Group's share of impairment loss of the intangible asset of HK$168,112,000 (2008: HK$1,207,655,000) is included in the "share of loss of an associate" in the consolidated income statement for the year ended 31 March 2009.

(d) Impairment of property, plant and equipment of the associate

During the year ended 31 March 2009, the management of the associate carried out a review of the recoverable amount of its property, plant and equipment. The review led to the recognition of an impairment loss of HK$56,884,000 (2008: nil), which has been recognized at the associate level. The Group's share of impairment loss of the property, plant and equipment of HK$28,385,000 (2008: nil) is included in the "share of loss of an associate" in the consolidated income statement for the year ended 31 March 2009.

20. OTHER FINANCIAL ASSETS

		The Group		The Company	
		2009	2008	**2009**	2008
	Note	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Loan to a controlled subsidiary	(a)	**–**	–	**1,850,000**	1,900,000
Available-for-sale financial asset	(b)	**2,095,268**	5,109,650	**–**	–
		2,095,268	5,109,650	**1,850,000**	1,900,000

Notes:

(a) Loan to a controlled subsidiary

The loan agreement dated 23 August 2007 (as amended and supplemented by the extension letters dated 21 September 2007 and 22 October 2007 respectively) was entered into between the Company and Ace High (the "Loan Agreement") whereby the Company agreed to provide a term loan facility up to a maximum amount of HK$3 billion (the "Loan") to Ace High to enable it to finance the junket aggregation business of AMA. On 4 December 2007, Ace High and the Company signed a confirmation letter to vary the maximum amount of the Loan under the Loan Agreement from up to HK$3 billion to up to HK$2 billion. According to the Loan Agreement, the Company has an option (the "Call Option") to capitalise the principal amount of HK$50 million in respect of the Loan into 9,999 shares of US$1 each in the issued share capital of Ace High (the "Capitalisation"), representing 99.99% of the issued share capital of Ace High as enlarged by the Capitalisation. On 11 February 2008, the Company served a Capitalisation notice to Ace High pursuant to the Loan Agreement. The Capitalisation was approved by the shareholders of the Company at the special general meeting held on 12 June 2008.

Through the call option to capitalise HK$50 million of the loan into 99.99% of the equity interest in Ace High, the Company has the decision-making powers to obtain complete control of Ace High and rights to obtain all profits generated from Ace High. Accordingly, Ace High is considered as an entity wholly-controlled by the Company.

On 14 December 2007, Ace High made a drawing of HK$1.9 billion under the Loan Agreement from the Company so as to finance AMA to start its junket aggregation business.

The loan is secured by a deed of guarantee executed by Mr. Albino in favour of the Company.

The loan is repayable on the Company's demand but Ace High is not allowed to early repay the loan or any part thereof. The Directors of the Company are of the opinion that the settlement is neither planned nor likely to occur in the foreseeable future. As this loan is, in substance, a part of the Company's net investment in Ace High, it is stated at cost less impairment.

20. OTHER FINANCIAL ASSETS *(Continued)*

Notes: *(Continued)*

(b) Available-for-sale financial asset

On 10 September 2007, Ace High Group Limited ("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 a 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%).

21. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2009	2008	**2009**	2008
	HK$'000	HK$'000	**HK$'000**	HK$'000
Trade debtors				
– AMA	**603,369**	164,175	**–**	–
– others	**–**	117	**–**	–
	603,369	164,292	**–**	–
Advance to collaborators	**22,560**	17,000	**–**	–
Due from an associate	**6,656**	5,379	**–**	–
Due from subsidiaries	**–**	–	**64,700**	64,688
Less: impairment loss (note 21(d))	**–**	–	**(4,684)**	–
	–	–	**60,016**	64,688
Other debtors	**805**	5,621	**5**	73
Loans and receivables	**633,390**	192,292	**60,021**	64,761
Rental and other deposits	**1,345**	1,587	**1,345**	1,584
Prepayments	**238**	467	**229**	457
Trade and other receivables in the balance sheet	**634,973**	194,346	**61,595**	66,802
Assets of disposal groups classified as held for sale (note 23)	**–**	8,100		
	634,973	202,446		

Advance to collaborators, who are independent third parties to the Group, are unsecured and non-interest-bearing. The Group provides temporary interest-free credit to collaborators which are allowed an average credit period of 7 days from the date the credit is granted.

The amount due from the associate is unsecured, non-interest-bearing and has no fixed terms of repayment. Impairment allowance has not been made against the amount as at 31 March 2009 and 2008 as the Directors are of the opinion that the amount can be recovered in full.

All of the trade and other receivables are expected to be recovered or recognized as expense within one year.

21. TRADE AND OTHER RECEIVABLES *(Continued)*

(a) Ageing analysis

The following in the ageing analysis of trade receivables as of the balance sheet date:

	The Group	
	2009	2008
	HK$'000	HK$'000
Current	**603,369**	164,292

Details on the Group's credit policy are set out in note 29(a).

(b) Impairment of trade receivables

Impairment losses in respect of trade debtors are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade debtors directly (see note 2(l)(i)). As at 31 March 2009 and 2008, in the opinion of the Directors, no impairment allowance is required as the default of the trade receivable is remote.

(c) Trade receivables that are not impaired

The ageing analysis of trade debtors that are neither individually nor collectively considered to be impaired are as follows:

	The Group	
	2009	2008
	HK$'000	HK$'000
Neither past due nor impaired	**603,369**	164,292

Receivables that were neither past due nor impaired relate to customers for whom there was no recent history of default. The Group does not held any collateral over these balances.

(d) Impairment of amounts due from subsidiaries

The Company

At 31 March 2009, an amount due from subsidiaries engaged in sales of travel package and provision of administrative support to Group companies were determined to be impaired and an allowance of approximately HK$4,684,000 had been made for impairment. Those subsidiaries were in financial difficulties and, in the opinion of the Directors, there is uncertainty in the recovery of the outstanding balances.

22. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2009 **HK$'000**	2008 HK$'000	**2009** **HK$'000**	2008 HK$'000
Cash at banks	**124**	44,349	**64**	43,892
Cash chips in hand	**58,755**	41,252	**32,500**	–
Cash in hand	**19,330**	5,412	**7**	16
Cash and cash equivalents in the balance sheet	**78,209**	91,013	**32,571**	43,908
Assets of disposal groups classified as held for sale (note 23)	**–**	2,660		
Cash and cash equivalents in the consolidated cash flow statement	**78,209**	93,673		

23. 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:

	Note	The Group 2008 HK$'000
Assets of disposal groups classified as held for sale		
Property, plant and equipment	16	1,712
Inventories		3,265
Trade and other receivables	21	8,100
Cash and cash equivalents	22	2,660
		15,737
Liabilities directly associated with assets of disposal groups classified as held for sale		
Trade and other payables	24	16,940
Borrowings	25	29,566
		46,506

After considering the unsatisfactory operating performance of the LCD products segment, the Group negotiated with certain prospective investors to dispose of its interest in the operation of LCD products during the year ended 31 March 2008. The assets and liabilities attributable to the operation have been classified as disposal groups held for sale and were presented separately in the consolidated balance sheet as at 31 March 2008. As the expected disposal proceeds exceeded their carrying amounts, no impairment loss has been recognized immediately before the classification of the assets to disposal groups held for sale. The disposal was completed during the year ended 31 March 2009 (see note 30(a)).

24. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2009	2008	**2009**	2008
	HK$'000	HK$'000	**HK$'000**	HK$'000
Trade payables	**1,653**	1,836	**–**	–
Due to a shareholder of AMA (note (a))	**135,274**	32,835	**–**	–
Accruals and other payables	**2,447**	6,513	**2,254**	6,345
Due to related companies (note (b))	**645**	220	**643**	–
Due to subsidiaries (note (b))	**–**	–	**77,951**	4,711
Financial liabilities measured at amortised cost	**140,019**	41,404	**80,848**	11,056
Liabilities directly associated with assets of disposal groups classified as held for sale (note 23)	**–**	16,940		
	140,019	58,344		

Notes:

(a) The amount due to a shareholder of AMA is unsecured, non-interest-bearing and payable on demand and represents the entitlement of the 20% share of profit from AMA in respect of junket aggregation business (see note 4(a)).

(b) The amounts due to subsidiaries and related companies are unsecured, non-interest-bearing and have no fixed terms of repayment.

(c) All of the trade and other payables are expected to be settled within one year.

(d) The ageing analysis of trade payables as of the balance sheet date is as follows:

	The Group	
	2009	2008
	HK$'000	HK$'000
After 3 months	**1,653**	1,836

25. BORROWINGS

	The Group		The Company	
	2009	2008	**2009**	2008
	HK$'000	HK$'000	**HK$'000**	HK$'000
Other loans, unsecured	**6,600**	10,000	**6,600**	10,000
Less: Current portion	**(6,600)**	(5,000)	**(6,600)**	(5,000)
Non-current portion	**–**	5,000	**–**	5,000
Liabilities directly associated with assets of disposal groups classified as held for sale (note 23)	**–**	29,566		
	–	34,566		

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.

26. PROMISSORY NOTES

The Group and the Company

In 2006, the Company issued promissory notes to directors of an associate and certain independent third parties with a total face value of approximately HK$1,454,722,000 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 income statement.

27. CAPITAL AND RESERVES

(a) The Group

		Attributable to equity shareholders of the Company										
	Note	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/ (accumulated losses) 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	27(c)(i)	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	27(c)(iii)	–	(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	13	–	–	–	(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

Included in the retained profits as at 31 March 2009 of the Group is an amount of approximately HK$249,886,000 (2008: nil) being the accumulated losses attributable to an associate.

27. CAPITAL AND RESERVES *(Continued)*

(b) The Company

	Note	Share capital HK$'000	Share premium HK$'000	Contributed surplus HK$'000	Capital reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 April 2007		11,205	1,824,863	105,026	–	(317,364)	1,623,730
Shares issued under the placing	27(c)(i)	15,384	1,984,616	–	–	–	2,000,000
Equity settled share-based transactions		–	–	–	6,872	–	6,872
Share issuance expenses		–	(41,080)	–	–	–	(41,080)
Loss for the year		–	–	–	–	(1,231,126)	(1,231,126)
At 31 March 2008		26,589	3,768,399	105,026	6,872	(1,548,490)	2,358,396
At 1 April 2008		26,589	3,768,399	105,026	6,872	(1,548,490)	2,358,396
Cancellation of share premium	27(c)(iii)	–	(3,768,399)	2,219,909	–	1,548,490	–
Equity settled share-based transactions		–	–	–	3,209	–	3,209
Share options forfeited during the year		–	–	–	(2,779)	2,779	–
Dividends – 2009 interim	13	–	–	(39,883)	–	–	(39,883)
Loss for the year		–	–	–	–	(395,290)	(395,290)
At 31 March 2009		26,589	–	2,285,052	7,302	(392,511)	1,926,432

(c) Share capital

	Note	2009 Number of shares '000	2009 HK$'000	2008 Number of shares '000	2008 HK$'000
Authorised:					
4,000,000,000 ordinary shares of HK$0.01 each (2008: 40,000,000,000 ordinary shares of HK$0.001 each)	(ii)	**4,000,000**	**40,000**	40,000,000	40,000
Issued and fully paid:					
At 1 April		**26,588,897**	**26,589**	11,204,282	11,205
Share issued under the placing	(i)	**–**	**–**	15,384,615	15,384
Share consolidation	(ii)	**(23,930,008)**	**–**	–	–
At 31 March		**2,658,889**	**26,589**	26,588,897	26,589

27. CAPITAL AND RESERVES *(Continued)*

(c) Share capital *(Continued)*

Notes:

(i) Shares issued under the placing

During the year ended 31 March 2008, the Company issued 15,384,615,000 new ordinary shares of HK$0.001 each pursuant to a placing agreement entered into with a placing agent at a placing price of HK$0.13 per share to finance the Company's investments and strengthen the Group's working capital.

(ii) Share consolidation

Pursuant to the resolution passed at the special general meeting of the Company held on 7 April 2008, the share consolidation ("Share Consolidation") was effective immediately on 8 April 2008. The detail of the resolution of Share Consolidation is as follow:

Every ten then issued and unissued ordinary shares of HK$0.001 each were consolidated into one new ordinary share of HK$0.01 each. On the basis of 40,000,000,000 existing authorised ordinary shares of HK$0.001 each and 26,588,897,000 existing issued ordinary shares of HK$0.001 each, the authorised and issued ordinary shares of the Company were consolidated into 4,000,000,000 authorised ordinary shares of HK$0.01 each and 2,658,889,000 issued ordinary shares of HK$0.01 each respectively.

(iii) Cancellation of share premium

Pursuant to the resolution passed at the special general meeting of the Company held on 19 September 2008, the share premium cancellation ("Share Premium Cancellation") was effective immediately on 19 September 2008. The detail of the resolution of Share Premium Cancellation is as follow:

Pursuant to section 46(2) of the Companies Act 1981 of Bermuda and with effect from the date of passing of the special resolution, the entire amount standing to the credit of the share premium account of the Company as at 31 March 2008 of approximately HK$3,768,399,000 was to be cancelled, with part of the credit arising therefrom being applied towards the elimination of the entire accumulated losses of approximately HK$1,548,490,000 of the Company as at 31 March 2008 and remaining balance in the amount of approximately HK$2,219,909,000 being credited to the contributed surplus account of the Company.

(d) Nature and purpose of reserves

(i) Share premium

The application of share premium is governed by Section 40 of the Bermuda Companies Act 1981.

(ii) Contributed surplus

The contributed surplus of the Company represents the differences between the consolidated shareholders' funds of subsidiaries at the date on which they were acquired by the Company and the nominal amount of the shares of the Company issued under the corporate reorganisation. Under The Companies Act 1981 of Bermuda (as amended), the contributed surplus of the Company is available for distribution to shareholders.

27. CAPITAL AND RESERVES *(Continued)*

(d) Nature and purpose of reserves *(Continued)*

(iii) Special reserve

The special reserve of the Group represents the difference between the nominal amount of the shares of the subsidiaries acquired and the nominal value of the Company's shares issued for the acquisition pursuant to the corporate reorganisation prior to the listing of the Company's shares.

(iv) Capital reserve

The capital reserve comprises the fair value of the actual or estimated number of unexercised share options granted to employees of the Company recognised in accordance with the accounting policy adopted for share-based payments in note 2(q)(ii).

(v) Fair value reserve

The fair value reserve of the Group comprises the cumulative net change in the fair value of available-for-sale financial assets held at the balance sheet date and is dealt with in accordance with the accounting policies in note 2(f) and 2(l).

(e) Distributable reserves

As at 31 March 2009, the aggregate amount of reserves of the Company available for distribution to equity shareholders of the Company amounted to approximately HK$1,892,541,000 (2008: HK$2,324,935,000) subject to the restrictions stated above.

(f) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders, by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure on the basis of a net debt-to-capital ratio. For this purpose the Group defines net debt as total debt (which includes interest-bearing loans and borrowings, trade and other payables) less cash and cash equivalents. Capital comprises all components of equity excluding minority interest.

During the year ended 31 March 2009, the Group's strategy, which was unchanged from the year ended 31 March 2008, was to maintain a net debt-to-capital ratio of no more than 60%. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, issue new shares or return capital to shareholders, raise new debt financing or sell assets to reduce debt.

27. CAPITAL AND RESERVES *(Continued)*

(f) Capital management *(Continued)*

The net debt-to-capital ratio at 31 March 2009 and 2008 are as follows:

		The Group		The Company	
		2009	2008	**2009**	2008
	Note	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Current liabilities:					
– Trade and other payables	24	**140,019**	41,404	**80,848**	11,056
– Borrowings	25	**6,600**	5,000	**6,600**	5,000
– Liabilities directly associated with assets of disposal groups classified as held for sale	23	**–**	46,506	**–**	–
		146,619	92,910	**87,448**	16,056
Non-current liabilities:					
– Borrowings	25	**–**	5,000	**–**	5,000
– Promissory note	24	**906,612**	847,305	**906,612**	847,305
Total debt		**1,053,231**	945,215	**994,060**	868,361
Less: Cash and cash equivalents (continuing operations)	22	**(78,209)**	(91,013)	**(32,571)**	(43,908)
Cash and cash equivalents of disposal groups classified as held for sale	23	**–**	(2,660)	**–**	–
Net debt		**975,022**	851,542	**961,489**	824,453
Total equity		**2,671,392**	5,643,605	**1,926,432**	2,358,396
Adjusted net debt-to-capital ratio		**36%**	15%	**50%**	35%

Neither the Company nor any of its subsidiaries is subject to externally imposed capital requirements.

28. SHARE OPTION SCHEME

The Company has a share option scheme which was adopted on 12 August 2002 whereby the Directors of the Company are authorized, at their discretion, to invite employees of the Group, including directors of any company in the Group, to take up options at a nominal consideration of HK$1 to subscribe for shares of the Company. The options give the holder the right to subscribe for ordinary shares in the Company.

(a) The terms and conditions of the grants that existed during the year are as follows, whereby all options are settled by physical delivery of shares:

	Exercise price HK$	Number of shares issuable under options granted	Vesting conditions	Contractual life of options
Options granted to Directors:				
– on 28 January 2008	0.7360	4,400,000	Immediately vested	10 years
– on 28 January 2008	0.7360	3,300,000	One year from the date of grant	10 years
– on 28 January 2008	0.7360	3,300,000	Two years from the date of grant	10 years
– on 20 October 2008	0.1332	10,400,000	Immediately vested	10 years
Options granted to employees:				
– on 28 January 2008	0.7360	4,400,000	Immediately vested	10 years
– on 28 January 2008	0.7360	3,300,000	One year from the date of grant	10 years
– on 28 January 2008	0.7360	3,300,000	Two years from the date of grant	10 years
– on 12 March 2009	0.1580	4,500,000	Immediately vested	10 years
Total shares issuable upon options granted		36,900,000		

(b) The number and weighted average exercise prices of share options are as follows:

	2009		2008	
	Weighted average exercise price HK$	**Number of shares issuable under options granted '000**	Weighted average exercise price HK$	Number of shares issuable under options granted '000
Outstanding at 1 April	**0.0736**	**404,000**	–	–
Adjustments due to share consolidation (see note 27(c)(ii))	**N/A**	**(363,600)**	–	–
	0.7360	**40,400**	–	–
Forfeited during the year	**0.7360**	**(18,400)**	–	–
Granted during the year	**0.1407**	**14,900**	0.0736	404,000
Outstanding at 31 March	**0.4956**	**36,900**	0.0736	404,000
Exercisable at 31 March	**0.4433**	**13,431**	0.0736	161,600

28. SHARE OPTION SCHEME *(Continued)*

(b) *(Continued)*

The options outstanding at 31 March 2009 had an exercise price of HK$0.1332 to HK$0.7360 (2008: HK$0.7360) and a weighted average remaining contractual life of 9.2 years (2008: 9.8 years).

(c) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on the Binominal Option Pricing Model. The contractual life of the share option is used as an input into this model. Expectations of early exercise are incorporated into the Binominal Option Pricing Model.

	Date of grant		
	28 January 2008	20 October 2008	12 March 2009
Fair value of share options and assumptions			
Fair value at measurement date	HK$0.3581	HK$0.0492	HK$0.0751
Share price	HK$0.700	HK$0.115	HK$0.158
Exercise price	HK$0.7360	HK$0.1332	HK$0.1580
Expected volatility (expressed as weighted average volatility used in the modeling under the Binominal Option Pricing Model)	105.76%	120.90%	130.49%
Option life (expressed as weighted average life used in the modeling under the Binomial Option Pricing Model)	1.89 years	1.03 years	0.93 years
Expected dividends	0%	0%	0%
Risk-free interest rate (based on government bonds)	2.505%	2.634%	1.867%

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share option grants.

29. FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate, fair values and currency risks arises in the normal course of the Group's business. These risks are limited by the Group's financial management policies and practices described below.

(a) Credit risk

The Group's credit risk is primarily attributable to trade and other receivables and cash and cash equivalents. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

In respect of trade and other receivables, the Group has a concentration of credit risk on the Group's trade debtors and advances to collaborators within the investments in gaming and entertainment related business segment. The Group does not obtain collateral from customers. In order to minimize the credit risk, individual credit evaluations are performed on all customers and collaborators requiring credit over a certain amount. These evaluations focus on the customers' past history of making payments when due and current ability to pay, and may take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. The management of the Group also reviews the recoverable amount of each individual advance to collaborators at the balance sheet date to ensure that adequate allowance for impairment losses are made for irrecoverable amounts, the continuous profitable business relationship with the collaborators subsequent to the balance sheet date and the financial background of the relevant collaborators to ascertain the recoverability of the advance to collaborators. As result, the Directors of the Company consider that the Group's exposure to credit risk on trade debtors and advances to collaborators is significantly reduced.

Cash and cash equivalents are normally placed with licensed banks that have high credit standing. Given their high credit standing, management does not expect any licensed bank to fail to meet its obligations.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet after deducting any impairment allowance. The Group does not provide any guarantees which would expose the Group or the Company to credit risk.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 21.

29. FINANCIAL INSTRUMENTS *(Continued)*

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the Company's board of directors when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major loan lenders to meet its liquidity requirements in the short and longer term.

The following table details the remaining contractual maturities at the balance sheet date of the Group's and the Company's financial liabilities of the continuing operations, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the balance sheet date) and the earliest date the Group and the Company can be required to pay:

(i) The Group

	2009					
	Carrying amount HK$'000	Total contractual undiscounted cash flow HK$'000	Within 1 year or on demand HK$'000	More than 1 year but less than 2 years HK$'000	More than 2 years but less than 5 years HK$'000	More than 5 years HK$'000
Promissory notes	(906,612)	(1,454,722)	(63,458)	(67,899)	(233,567)	(1,089,798)
Borrowings	(6,600)	(6,925)	(6,925)	–	–	–
Trade and other payables	(140,019)	(140,019)	(140,019)	–	–	–
	(1,053,231)	(1,601,666)	(210,402)	(67,899)	(233,567)	(1,089,798)

	2008					
	Carrying amount HK$'000	Total contractual undiscounted cash flow HK$'000	Within 1 year or on demand HK$'000	More than 1 year but less than 2 years HK$'000	More than 2 years but less than 5 years HK$'000	More than 5 years HK$'000
Promissory notes	(847,305)	(1,454,722)	(59,307)	(63,458)	(218,288)	(1,113,669)
Borrowings	(10,000)	(10,345)	(5,325)	(5,020)	–	–
Trade and other payables	(41,404)	(41,404)	(41,404)	–	–	–
	(898,709)	(1,506,471)	(106,036)	(68,478)	(218,288)	(1,113,669)

29. FINANCIAL INSTRUMENTS *(Continued)*

(b) Liquidity risk *(Continued)*

(ii) The Company

	2009					
	Carrying amount HK$'000	Total contractual undiscounted cash flow HK$'000	Within 1 year or on demand HK$'000	More than 1 year but less than 2 years HK$'000	More than 2 years but less than 5 years HK$'000	More than 5 years HK$'000
Promissory notes	(906,612)	(1,454,722)	(63,458)	(67,899)	(233,567)	(1,089,798)
Borrowings	(6,600)	(6,925)	(6,925)	–	–	–
Trade and other payables	(2,897)	(2,897)	(2,897)	–	–	–
Amounts due to subsidiaries	(77,951)	(77,951)	(77,951)	–	–	–
	(994,060)	(1,542,495)	(151,231)	(67,899)	(233,567)	(1,089,798)

	2008					
	Carrying amount HK$'000	Total contractual undiscounted cash flow HK$'000	Within 1 year or on demand HK$'000	More than 1 year but less than 2 years HK$'000	More than 2 years but less than 5 years HK$'000	More than 5 years HK$'000
Promissory notes	(847,305)	(1,454,722)	(59,307)	(63,458)	(218,288)	(1,113,669)
Borrowings	(10,000)	(10,345)	(5,325)	(5,020)	–	–
Trade and other payables	(6,345)	(6,345)	(6,345)	–	–	–
Amounts due to subsidiaries	(4,711)	(4,711)	(4,711)	–	–	–
	(868,361)	(1,476,123)	(75,688)	(68,478)	(218,288)	(1,113,669)

(c) Interest rate risk

The Group's interest rate risk arises primarily from promissory notes and borrowings. The interest rates and terms of repayment of promissory notes and other borrowings of the Group are disclosed in notes 26 and 25 respectively. The promissory notes issued and borrowings raised at fixed interest rates expose the Group to fair value interest rate risk. The Group does not expect any significant changes in fixed interest rates which might materially affect the Group's result of operations.

29. FINANCIAL INSTRUMENTS *(Continued)*

(d) Fair values

The fair values of all financial assets and liabilities are not materially different from their carrying amounts.

The following methods and assumptions were used to estimate the fair value for each class of the Group's financial instruments.

(i) The carrying value of the Group's current financial assets and liabilities are estimated to approximate their fair values based on the nature or short-term maturity of these instruments.

(ii) The carrying value of the Group's non-current financial liabilities are estimated to approximate their fair values based on a discounted cash flow approach using interest rates available to the Group for similar indebtedness.

(e) Currency risk

The Group does not expect any significant currency risk which might materially affect the Group's result of operations.

30. DISPOSAL OF SUBSIDIARIES

(a) On 27 August 2008, the Group entered into a sale agreement to dispose of its entire equity interest in the Profit Goal Group (see note 10). The disposal was completed on 29 September 2008 on which date control of Profit Goal Group passed to the acquirer. The net liabilities of Profit Goal Group at the date of disposal were as follows:

	Profit Goal Group HK$'000
Net liabilities disposed of	
Property, plant and equipment	1,399
Inventories	2,668
Trade and other receivables	5,991
Cash and cash equivalents	1,543
Trade and other payables	(14,401)
Borrowings	(31,487)
Net liabilities disposed of	(34,287)
Waiver of amount due from the Company	(10)
Gain on disposal (see note 10(a))	(34,297)
Consideration received (HK$1)	–
Less: Cash disposed of	(1,543)
Net cash outflow arising on disposal	(1,543)

30. DISPOSAL OF SUBSIDIARIES *(Continued)*

(b) On 28 June 2007, the Group entered into a sale and purchase agreement with an independent third party to dispose of its entire equity interest in the AMGP Group. The net liabilities of AMGP Group at the date of disposal were as follows:

	AMGP Group HK$'000
Net liabilities disposed of:	
Property, plant and equipment	8,301
Inventories	860
Other receivables	10
Cash and cash equivalents	105
Other payables	(1,580)
Borrowings	(23,209)
Net liabilities disposed of	(15,513)
Gain on disposal	15,513
Consideration received (HK$1)	–
Less: Cash disposed of	(105)
Net cash outflow arising on disposal	(105)

31. MAJOR NON-CASH TRANSACTION

During the year ended 31 March 2009, the decrease of fair value change of available-for-sale of financial assets of approximately HK$3,014,382,000 (2008: increase of HK$3,209,650,000) was directly recognised in fair value reserve.

32. COMMITMENTS

(a) Operating lease commitments

At 31 March 2009, the total future minimum lease payments payable by the Group under non-cancellable operating leases are as follows:

	The Group	
	2009 HK$'000	2008 HK$'000
Within one year	3,258	3,816
In the second to fifth year	2,705	5,964
	5,963	9,780

	The Company	
	2009 HK$'000	2008 HK$'000
Within one year	3,226	3,690
In the second to fifth year	2,705	5,932
	5,931	9,622

The Group is the leasee of a number of properties held under operating leases. The leases typically run for an initial period of 3 years. The leases did not include extension options. None of the leases includes contingent rentals.

(b) Save as disclosed in note 32(a) above, the Group and the Company did not have any other significant capital or financial commitments as at 31 March 2009 and 2008.

33. CONTINGENT LIABILITIES

At 31 March 2009 and 2008, the Group and the Company did not have any significant contingent liabilities.

34. MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group entered into the following material related party transactions:

(a) Emoluments for key management personnel are the amounts paid to the Company's Directors as disclosed in note 8 and certain of the highest paid employees as disclosed in note 9.

(b) On 22 May 2007, the Company entered into a rights assignment agreement with a director of the Company's subsidiary pursuant to which Thousand Ocean Investments Limited, a wholly-owned subsidiary of the Company, has conditionally agreed to acquire the rights in sharing of Profit Streams of 5 additional gaming tables in the high rolling gaming area of the Greek Mythology Casino within the New Century Hotel in Macau for a consideration of HK$20 million. Upon the completion of acquisition, the number of high rolling gaming tables operated by the Group will increase to 10. However, due to the delay of operation schedule of these 5 additional tables, the transaction was subsequently terminated on 18 July 2007.

34. MATERIAL RELATED PARTY TRANSACTIONS *(Continued)*

(b) *(Continued)*

Thousand Ocean Investments Limited is principally engaged in the promotion, sales and marketing, client development, coordination and operation of the existing 5 tables at the high rolling gaming area in the Greek Mythology Casino.

(c) Other related party transactions

Particulars of significant transactions between the Group and the following related parties are as follows:

	The Group	
	2009 HK$'000	2008 HK$'000
Gross revenue from AMA's junket aggregation business received and receivable from AMA, a director of the Company's subsidiary has a controlling interest *	**163,724**	164,175
Purchases of ferry tickets from Hong Kong North West Express Limited, a related company in which a director of the Company's subsidiary has a controlling interest ("HK NW Express")	**–**	1,537
Rental expense charged by HK NW Express	**–**	72
Rental expense charged by Superfaith Corporation Limited, a related company in which a director of the Company's subsidiary has controlling interest	**180**	780
Management fee charged by Lemon Capital Strategic Limited, a related company in which a director of the Company has a controlling interest	**–**	130
Commission income received and receivable from the associate of the Company	**–**	873
Purchases of casino packages from the associate of the Company	**–**	205
Consultancy fee charged by a director of the Company's subsidiary	**30**	120

* The Directors consider the transaction was not a related party transaction beginning on 1 July 2008 because the director of the Company's subsidiary resigned on 30 June 2008.

34. MATERIAL RELATED PARTY TRANSACTIONS *(Continued)*

(c) Other related party transactions *(Continued)*

The directors of the Company are of the opinion that the above transactions with related parties were conducted on normal commercial terms and in the ordinary course of business.

The outstanding balances arising from the above transactions at the balance sheet date are as follows:

		The Group	
		2009	2008
	Note	HK$'000	HK$'000
Amount due from AMA	(i)	–	164,175
Amount due to HK NW Express	(ii)	(1,653)	(1,836)

Notes:

(i) The amount due from AMA is unsecured, interest-free and will be repayable within one year. The amount due from AMA is included in "Trade debtors" under "trade and other receivables" (note 21). No allowance for doubtful debts has been made in respect of the amount due from AMA.

(ii) The amount due to HK NW Express is unsecured, interest-free and has no fixed repayment terms. The amount due to HK NW Express is included in "Trade payables" under "Trade and other payables" (note 24).

35. COMPARATIVE FIGURES

Certain items in the financial statements were reclassified which would result in a more appropriate presentation of events or transactions. Accordingly comparative figures have been reclassified to conform with the current year's presentation.

36. ACCOUNTING ESTIMATES AND JUDGEMENTS

The method, estimates and judgements the management use in applying the Group's accounting policies have a significant impact on the Group's financial position and operating results. Some of the accounting policies require the Group to apply estimates and judgements on matters that are inherently uncertain. Certain critical accounting judgements in applying the Group's accounting policies are described below.

(a) Depreciation and amortisation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives, after taking into account the estimated residual value. The management reviews annually the useful life of an asset and its residual value, if any. Interests in leasehold land held for own use under operating leases are amortised on a straight-line basis over the shorter of the estimated useful lives of the leased assets and the lease term. Both the period and methods of amortisation are reviewed annually. The depreciation and amortisation expenses for future periods are adjusted if there are significant changes from previous estimates.

36. ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

(b) Amortisation of intangible assets

Amortisation of intangible assets is calculated to write off the cost of items of intangible assets using the straight-line method over their estimated useful lives unless such lives are indefinite. The Group reviews the estimated useful lives of intangible assets annually in order to determine the amount of amortisation expense to be recorded during any reporting period. The useful lives are based on the estimate period over which future economic benefits will be received by the Group and taking into account any unexpected adverse changes in circumstances or events. The amortisation expense for future periods is adjusted if there are significant changes from previous estimates.

(c) Impairments

If circumstances indicate that the carrying value of tangible and intangible assets may not be recoverable, the assets may be considered "impaired", and an impairment loss may be recognised in accordance with HKAS 36 "Impairment of Assets". The carrying amounts of tangible and intangible assets are reviewed periodically in order to assess whether the recoverable amounts have declined below the carrying amounts. These assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amount is reduced. The recoverable amount of tangible and intangible assets is the greater of the net selling price and the value-in-use. It is difficult to precisely estimate selling price because quoted market prices for the Group's asset are not always available. In determining the value-in-use, expected cash flows generated by the asset are discounted to their present value, which requires significant judgement relating to level of sale volume, selling price and amount of operating costs. The management uses all readily available information in determining an amount that is a reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections of sale volume, selling price and amount of operating costs.

Impairment losses for bad and doubtful debts are assessed and provided based on the management's regular review of ageing analysis and evaluation of collectibility. A considerable level of judgement is exercised by the management when assessing the credit-worthiness and past collection history of each individual debtor.

Impairment losses for interest in an associate is assessed based on an estimation of its recoverable amount of the interest in an associate. The recoverable amount requires the Group to estimate the future cash flows expected to arise from the associate and a suitable discount rate in order to calculate the present value.

In determining whether there is any objective evidence that impairment losses on available-for-sale investment has occurred, the Group assesses periodically whether there has been a significant or prolonged decline in the fair value below its cost or carrying amount, or whether other objective evidence of impairment exists based on the investee's financial conditions and business prospects, including industry environment, change of technology, operating and financing cash flows. This requires a significant level of judgement of management, which would affect the amount of impairment losses.

Any increase or decrease in the above impairment losses would affect the net profit in future years.

37. 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 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.

RESULTS

	Year ended 31 March				
	2009 HK$'000	2008 HK$'000	2007 HK$'000	2006 HK$'000	2005 HK$'000
TURNOVER					
Continuing operations	416,094	157,319	5,746	–	–
Discontinued operations	25,170	56,511	59,840	81,035	101,144
	441,264	213,830	65,586	81,035	101,144
PROFIT/(LOSS) BEFORE TAXATION					
Continuing operations	48,465	(1,298,014)	(113,529)	–	–
Discontinued operations	30,325	6,307	(5,164)	112,942	(46,147)
	78,790	(1,291,707)	(118,693)	112,942	(46,147)
INCOME TAX					
Continuing operations	–	7	(7)	–	–
Discontinued operations	–	–	–	–	–
	–	7	(7)	–	–
PROFIT/(LOSS) FOR THE YEAR					
Continuing operations	48,465	(1,298,007)	(113,536)	–	–
Discontinued operations	30,325	6,307	(5,164)	112,942	(46,147)
	78,790	(1,291,700)	(118,700)	112,942	(46,147)

ASSETS AND LIABILITIES

	At 31 March				
	2009 HK$'000	2008 HK$'000	2007 HK$'000	2006 HK$'000	2005 HK$'000
TOTAL ASSETS	3,724,623	6,588,873	2,647,790	2,595,705	1,414,154
TOTAL LIABILITIES	(1,053,231)	(945,215)	(887,874)	(817,720)	(61,942)
SHAREHOLDERS' FUNDS	2,671,392	5,643,658	1,759,916	1,777,985	1,352,212

INVESTMENT PROPERTIES

Location	Use	Tenure	Attributable interest of the Group
Unit 3053A, 3055, 3056, 3117 and 3118 Diamond Square 3rd Floor Shun Tak Centre 200 Connaught Road Central Hong Kong	Retail shops for investment purpose	Medium-term lease	100%