

# AMAX

## Holdings Limited

(Incorporated in Bermuda with limited liability)  
(Stock Code: 0959)

Interim Report  
**2009-2010**

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive

Mr. Cheung Nam Chung  
Mr. Huang Xiang Rong  
(Resigned on 6 August 2009)  
Ms. Li Wing Sze  
Mr. Li Kin Ho  
(Appointed on 7 August 2009)  
Mr. Victor Ng  
(Appointed on 7 August 2009)

#### Non-executive

Mr. Leung Kin Cheong, Laurent  
Mr. Lau Dicky  
(Appointed on 2 November 2009)

#### Independent Non-executive

Attorney Lorna Patajo Kapunan  
Mr. Chan Chiu Hung, Alex  
Mr. Cheung Kai Tai, Allen  
Mr. Fang Ang Zhen  
Prof. Zeng Zhong Lu  
(Appointed on 16 April 2009)

### COMPANY SECRETARY

Mr. Chan Chin Wang, Keith  
(Appointed on 10 August 2009)  
Mr. Wong Lee Ping  
(Removed on 2 November 2009)

### AUDITORS

CCIF CPA Limited

### LEGAL ADVISERS

Michael Li & Co.

### STOCK CODE

959

### REGISTERED OFFICE

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

2701 Vicwood Plaza  
199 Des Voeux Road Central  
Hong Kong

### BRANCH SHARE REGISTRAR

Tricor Secretaries Limited  
26th Floor, Tesbury Centre  
28 Queen's Road East  
Hong Kong

The board of directors (the "Board") of Amax Holdings Limited (the "Company") is pleased to announce the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2009. The unaudited interim results have been reviewed by the Audit Committee and independent auditor of the Company.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW

During the six months ended September 2009, the Group operated solely in gaming and entertainment business in Macau. Its core investments were the 49.9% equity investment in Greek Mythology Casino and the loan-for-profits contractual agreement with AMA International Limited ("AMA").

The Group made a total turnover of HK\$92 million for the six months ended 30 September 2009, consisting of revenue from junket related operation of HK\$90 million and HK\$2 million from the Group's VIP gaming related operation and other gaming related business. The amount is 69% less than the total turnover of HK\$300 million in the same period last year. The decrease is mainly attributed to the challenging business environment; it is also notable that the revenue is coming off a market high from the same period last year.

Net loss for the six months ended 30 September 2009 amounted to HK\$1.20 billion as compared to a profit of HK\$219 million for the same period last year. The loss was mainly attributable to the impairment loss for available-for-sale financial asset as calculated base on newly enacted laws & regulations. The Macau Government enacted new laws & regulations capping junket commission rate at 1.25%, effective as of 1 December 2009. These new laws & regulations has directly affected our business as the Group is a recipient of junket commissions. As a result of the economic downturn and fierce competition in the Casino Business in Macau, the Group also incurred an impairment loss on an intangible asset representing the 49.9% interest in the operating right of Greek Mythology Casino in Macau.

The impairment loss on available-for-sale financial asset and intangible asset that are expected to be made are non-cash items, hence have not had any impact on the operating cash flow of the Group.

An analysis of the Group's consolidated results for the six months period ended 30 September 2009 and 2008 are as follow:

	<b>Six months ended 30 September</b>	
	2009 HK\$'000 <b>Unaudited</b>	2008 HK\$'000 Unaudited
<b>Turnover:</b>		
Junket related operation	<b>89,972</b>	269,161
VIP Gaming related operation/ Related business	<b>2,085</b>	3,541
	<hr/>	<hr/>
	<b>92,057</b>	272,702
Other revenue	<b>36,788</b>	427
Impairment loss for available-for-sale financial asset	<b>(1,294,978)</b>	–
Selling and distribution & other administrative expenses	<b>(20,026)</b>	(27,888)
	<hr/>	<hr/>
<b>(Loss)/profit from operations</b>	<b>(1,186,159)</b>	245,241
Finance costs	<b>(24,222)</b>	(29,816)
Share of profit/(loss) of an associate	<b>1,973</b>	(26,794)
	<hr/>	<hr/>
<b>(Loss)/profit for the period from continuing operations</b>	<b>(1,208,408)</b>	188,631
Profit for the period from discontinued operation	<b>–</b>	30,325
	<hr/>	<hr/>
<b>(Loss)/profit for the period</b>	<b>(1,208,408)</b>	218,956

## BUSINESS REVIEW AND PROSPECTS

### Gaming and Entertainment Business

#### ***Junket Related Operation***

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

This line of business has contributed greatly to the Group's success in the past. However, with changes in Macau laws governing the gaming industry, namely the junket commission cap of 1.25%, the Group expects negative impact on the future revenue of the business. Heeding the development, the Group made the prudent decision to record a significant amount of impairment loss on the available-for-sale financial asset. Marred by this change in the business environment, our junket related operation contributed HK\$90 million to the Group for the six months ended 30 September 2009, compared to HK\$269 million in the same period last year, down by 66%.

Although the junket related operation is affected by external factors such as regulatory changes, fierce market competition and also the tough macroeconomic climate, we will continue to work closely with our casino and junket partners to maintain mutually beneficial relationships.

#### ***VIP Gaming Related Operation and Other Gaming Related Business***

The Group, through certain subsidiaries, is responsible for (i) promotion, sales and advertising, client development, coordination and operation of the high-roller gaming area; and (ii) operation of electronic slot machines of the Greek Mythology Casino.

During the six months under review, net contribution from the business was HK\$2 million, against HK\$3 million in the same period last year.

### **Greek Mythology Casino**

The Group manages the Greek Mythology Casino in Macau via its 49.9% ownership of Greek Mythology. The Greek Mythology Casino has approximately 100 mass market tables, 16 VIP tables and 90 slot machines. Greek Mythology is accounted for as an associated company of the Group.

The Group's share of the profit from Greek Mythology Casino for the six months ended 30 September 2009 amounted to HK\$1.97 million as compared to a loss of HK\$26.79 million in the same period last year.

The operating results of Greek Mythology Casino continued to be impacted by macroeconomic factors, public policy, and other circumstances such as the relatively less favorable location and small size of operation when compared with giant theme-based casinos. Nevertheless, the Greek Mythology Casino will continue to focus on serving the mass gaming market. The management will continue to streamline operations of the Group with the aim of boosting shareholder value.

---

5

## **OUTLOOK**

The monthly rolling chip volume generated by AMA averaged at low-HK\$20 billion in recent months. This reflects a recovery from early 2009, when rolling chip volume was down at HK\$19 billion.

The Group remains committed to the business partnership with the Altira Macau Casino. However, changes in the regulatory environment, specifically the commission cap, have harmed the profitability of our junket related operation. This commanded the management to make a decision on the impairment loss on the available-for-sale financial asset of the junket business with a view to fully reflect its future revenue of the business in the aforesaid.

The financial market and economic climate have certainly been turbulent this year. In the first six months of the fiscal year, we saw the gaming market slid to rock bottom at one point, and in a short time turned around completely as if the financial crisis never happened. With sustained improvement in market conditions, the Group believes it will be able to better execute its business and deliver results in the remaining six months of the year and beyond.

Furthermore, hoping to diversify our holdings hence bolster stability of the Group, we are always looking for investment opportunities. The Group is ready to step up efforts to explore different means and avenues for sustaining and improving its performance albeit the dramatic change in the operational circumstances of the junket related operation.

## INTERIM DIVIDENDS

The Directors do not recommend any interim dividend for the six months ended 30 September 2009 (2008: HK1.5 cents).

## LIQUIDITY AND FINANCIAL RESOURCES

The Group finances its business operations and investments with internal resources, cash revenues generated from operating activities and equity fund raising activities.

---

6

As at 30 September 2009, total assets of the Group were HK\$2,302 million (31 March 2009: HK\$3,725 million), comprising non-current assets of HK\$1,521 million (31 March 2009: HK\$3,011 million) and current assets of HK\$781 million (31 March 2009: 713 million) which were financed by shareholders' funds of HK\$1,561 million (31 March 2009: HK\$2,671 million), minority interests of HK\$Nil (31 March 2009: HK\$Nil), current liabilities of HK\$135 million (31 March 2009: HK\$147 million) and non-current liabilities of HK\$606 million (31 March 2009: HK\$907 million).

The Group's current ratio, expressed as current assets over current liabilities was maintained at a high comfortable level of 5.80 times (31 March 2009: 4.86 times).

The gearing ratio calculated as a ratio of total borrowings to shareholders' funds, was maintained at a low level of 39.14% (31 March 2009: 34.18%).

## **SHARE CAPITAL STRUCTURE**

There was no change in the share capital structure of the Company during the period ended 30 September 2009.

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

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

---

For the period ended 30 September 2009, the Company issued 7,100,000 shares with par value of HK\$0.01 each, including 2,600,000 shares at an exercise price of HK\$0.1332 per share and 4,500,000 shares at an exercise price of HK\$0.158 per share upon the exercise of the granted options during the period under review.

## **EMPLOYEES AND REMUNERATION POLICY**

As at 30 September 2009, the Group employed a total of approximately 18 (2008: 20) employees in Hong Kong and Macau. The Group is aware of the importance of human resources and always endeavors to retain competent and talented staff with competitive remuneration packages within the general framework of the Group's salary and bonus system, which is determined according to their duties, work experience, performance and the prevailing market practices. The Group has also participated in an approved Mandatory Provident Fund ("MPF") scheme or similar scheme for eligible employees and provides them with a medical scheme. Employees are also rewarded by the Share Option Scheme based on the performance of the Group and individual employees.

## 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 Group's principal business are conducted and recorded in Hong Kong dollars and Macau Patacas. As the impact from foreign exchange exposure is minimal, no hedging against foreign currency exposure is necessary.

## CONTINGENT LIABILITIES

The Group and the Company had no significant contingent liabilities as at 30 September 2009.

## DISCLOSURE OF INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

As at 30 September 2009, the interests or short positions of the Directors and Chief Executive of the Company in the shares, underlying shares, and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO, or otherwise as 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 or the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows :

Name of Director/ Chief Executive	Number of shares held	Underlying shares held (Note)	Total	Approximate percentage of shareholding
Mr. Cheung Nam Chung	30,000	11,000,000	11,030,000	0.29%
Ms. Li Wing Sze	-	11,000,000	11,000,000	0.29%
Mr. Leung Kin Cheong, Laurent	-	2,600,000	2,600,000	0.07%
Attorney Loran Patajo Kapunan	-	2,600,000	2,600,000	0.07%
Mr. Chan Chiu Hung, Alex	20,000	2,600,000	2,620,000	0.07%
Mr. Cheng Kai Tai, Allen	-	2,600,000	2,600,000	0.07%
Mr. Fang Ang Zhen	-	2,600,000	2,600,000	0.07%
Prof. Zeng Zhong Lu	-	2,600,000	2,600,000	0.07%

Save as disclosed above, as at 30 September 2009, 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 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 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.

*Note:* Details in the section headed "Share Options Scheme" below.

## **ARRANGEMENT 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.

---

9

## SUBSTANTIAL SHAREHOLDERS

As at 30 September 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
Mr. Ng Man Sun (Note 1)	1,006,147,335	26.44%
Farrington Capital Management Switzerland SA (Note 2)	248,322,000	6.52%
Janus Capital Management LLC (Note 3)	341,529,194	8.97%
UBS AG (Note 4)	237,860,000	6.25%

Notes:

10

1. These Shares in which Mr. Ng Man Sun is interested in comprise (i) 1,000,000,000 shares being personal interest; and (ii) 6,147,335 shares being interest held by East Legend Holdings Limited. Mr. Ng Man Sun is interested in the entire issued share capital of East Legend Holdings Limited, and he is deemed to be interested in the 6,147,335 shares held by East Legend Holdings Limited.
2. Farrington 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. 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).
4. 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 capitalization and profitability.

Save as disclosed above, as at 30 September 2009, no other person/company had any personal, family, corporate or other beneficial interests or short positions in the shares or underlying shares in the Company which would fall to be, disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO and as recorded in the register of the Company.

## SHARE OPTIONS

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

The Share Option Scheme is valid for a period of 10 years commencing from 12 August 2002. There are 37,900,000 share options under the Share Option Scheme were granted during the six months period ended 30 September 2009 and there were 62,500,000 share options outstanding as at 30 September 2009. During the six months ended 30 September 2009, the movements of the options which have been granted stated on note 22 to the condensed consolidated interim financial statements.

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

There was no purchase, redemption or sale by the Company nor any of its subsidiaries of the Company's listed securities during the period ended 30 September 2009.

## **AUDIT COMMITTEE**

The Company has an Audit Committee which was established for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee comprises with five Independent Non-executive Directors and one Non-executive Director of the Company.

The interim results of the Group for the period under review have been reviewed by the Audit Committee.

## **REMUNERATION COMMITTEE**

The Remuneration Committee comprises two Independent Non-executive Directors and one Executive Director. The Remuneration Committee was established with specific written terms of reference and is principally responsible for reviewing and approving remuneration package for Directors and senior management. No Director or member of senior management will determine his own remuneration.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

Throughout the underlying period, the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") had been taken as the Company's code of conduct regarding Directors' securities trading. All Directors have confirmed, following specific enquiry by the Company, that they fully complied with the Model Code throughout the underlying period.

## CORPORATE GOVERNANCE

The Company had adopted, applied and complied with the Code on Corporate Governance Practices (the "Code Provision") as set out in Appendix 14 to the Listing Rules throughout the period ended 30 September 2009 with the exception of certain deviation as further explained below:

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

12  
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.

## REVIEW OF RESULT

The Group's unaudited condensed consolidated results for the six months ended 30 September 2009 have been reviewed by the auditors and the Audit Committee of the Company.

For and on behalf of the Board

**Amax Holdings Limited**

**Cheung Nam Chung**

*Chairman*

Hong Kong, 18 December 2009



**CCIF CPA LIMITED**

20/F Sunning Plaza  
10 Hysan Avenue  
Causeway Bay Hong Kong

**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION**

**TO THE BOARD OF DIRECTORS OF  
AMAX HOLDINGS LIMITED  
(FORMERLY KNOWN AS AMAX ENTERTAINMENT HOLDINGS LIMITED)**  
*(Incorporated in Bermuda with limited liability)*

**INTRODUCTION**

We have reviewed the interim financial information set out on pages 15 to 58, which comprises the condensed consolidated statement of financial position of Amax Holdings Limited (the "Company") and its subsidiaries as at 30 September 2009 and the related condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34.

Our responsibility is to express a conclusion on the interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information as at 30 September 2009 is not prepared, in all material respects, in accordance with HKAS 34.

**CCIF CPA Limited**

*Certified Public Accountants*

Hong Kong, 18 December 2009

**Betty P.C. Tse**

Practising Certificate Number P03024

**CONDENSED CONSOLIDATED INCOME STATEMENT**  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

		<b>Six months ended 30 September</b>	
	Note	<b>2009</b> <b>HK\$'000</b> <b>Unaudited</b>	2008 HK\$'000 Unaudited
<b>Turnover</b>	4	<b>92,057</b>	272,702
Cost of sales		—	—
<b>Gross profit</b>		<b>92,057</b>	272,702
Other revenue	5	<b>36,788</b>	427
Impairment loss for available-for-sale financial asset		<b>(1,294,978)</b>	—
Selling and distribution expenses		<b>(2,208)</b>	(491)
General and administrative expenses		<b>(17,818)</b>	(27,397)
<b>(Loss)/profit from operations</b>	6	<b>(1,186,159)</b>	245,241
Finance costs	8	<b>(24,222)</b>	(29,816)
Share of profit/(loss) of an associate	15		
Share of operating profit of an associate		<b>45,209</b>	11,924
Share of impairment loss and amortization of intangible asset of an associate		<b>(43,236)</b>	(38,718)
		<b>1,973</b>	(26,794)
<b>(Loss)/profit before taxation</b>	9	<b>(1,208,408)</b>	188,631
Income tax		—	—
<b>(Loss)/profit for the period from continuing operations</b>		<b>(1,208,408)</b>	188,631
Profit for the period from discontinued operation	10	—	30,325
<b>(Loss)/profit for the period</b>		<b>(1,208,408)</b>	218,956

**CONDENSED CONSOLIDATED INCOME STATEMENT  
(continued)**

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

	Note	<b>Six months ended 30 September</b>	
		<b>2009</b> <b>HK\$'000</b> <b>Unaudited</b>	<b>2008</b> <b>HK\$'000</b> <b>Unaudited</b>
<b>Attributable to:</b>			
Equity shareholders of the Company		(1,208,408)	218,995
Minority interests		–	(39)
<b>(Loss)/profit for the period</b>		<b>(1,208,408)</b>	<b>218,956</b>
<b>(Loss)/earnings per share</b>	13		
From continuing and discontinued operation			
– basic		<b>HK(35.18) cents</b>	HK8.24 cents
– diluted		<b>HK(35.10) cents</b>	HK8.24 cents
From continuing operations			
– basic		<b>HK(35.18) cents</b>	HK7.10 cents
– diluted		<b>HK(35.10) cents</b>	HK7.10 cents
From discontinued operation			
– basic		<b>N/A</b>	HK1.14 cents
– diluted		<b>N/A</b>	HK1.14 cents

The notes on pages 23 to 58 form an integral part of this condensed consolidated interim financial information.

**CONDENSED CONSOLIDATED STATEMENT OF  
COMPREHENSIVE INCOME**

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

Note	<b>Six months ended 30 September</b>	
	<b>2009</b> <b>HK\$'000</b>	2008 HK\$'000
	<b>Unaudited</b>	Unaudited
<b>(Loss)/profit for the period</b>	<b>(1,208,408)</b>	218,956
<b>Other comprehensive income for the period, after tax and reclassification adjustment:</b>		
Available-for-sale financial asset: net movement in fair value reserve	<b>(195,268)</b>	(1,500,000) <u>17</u>
<b>Total comprehensive income for the period</b>	<b>(1,403,676)</b>	(1,281,044)
Total comprehensive income attributed to:		
Equity shareholders of the Company	<b>(1,403,676)</b>	(1,281,005)
Minority interests	<u>—</u>	(39)
	<b>(1,403,676)</b>	(1,281,044)

The notes on pages 23 to 58 form an integral part of this condensed consolidated interim financial information.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

AS AT 30 SEPTEMBER 2009

	Note	<b>30 September 2009</b> <b>HK\$'000</b> <b>Unaudited</b>	31 March 2009 HK\$'000 Audited
<b>Non-current assets</b>	14		
Investment properties		<b>3,390</b>	3,390
Other property, plant and equipment		<b>3,510</b>	5,040
		<hr/>	<hr/>
		<b>6,900</b>	8,430
Intangible assets		<b>19,016</b>	19,921
Interest in an associate	15	<b>889,795</b>	887,822
Other financial asset	16	<b>605,022</b>	2,095,268
		<hr/>	<hr/>
		<b>1,520,733</b>	3,011,441
<b>Current assets</b>			
Trade and other receivables	17	<b>718,554</b>	634,973
Cash and cash equivalents		<b>62,316</b>	78,209
		<hr/>	<hr/>
		<b>780,870</b>	713,182
<b>Current liabilities</b>			
Trade and other payables	18	<b>(129,598)</b>	(140,019)
Borrowings	19	<b>(5,000)</b>	(6,600)
		<hr/>	<hr/>
		<b>(134,598)</b>	(146,619)
<b>Net current assets</b>		<b>646,272</b>	566,563
<b>Total assets less current liabilities</b>		<b>2,167,005</b>	3,578,004

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (*continued*)**  
AS AT 30 SEPTEMBER 2009

	Note	<b>30 September 2009 HK\$'000 Unaudited</b>	31 March 2009 HK\$'000 Audited
<b>Non-current liabilities</b>			
Promissory notes	20	<b>(605,982)</b>	(906,612)
<b>NET ASSETS</b>		<b>1,561,023</b>	2,671,392
<b>CAPITAL AND RESERVES</b>			
Share capital	21	<b>38,060</b>	26,589
Reserves		<b>1,522,963</b>	2,644,803
<b>Total equity attributable to equity shareholders of the Company</b>		<b>1,561,023</b>	2,671,392
<b>Minority interests</b>		<b>–</b>	–
<b>TOTAL EQUITY</b>		<b>1,561,023</b>	2,671,392

19

The notes on pages 23 to 58 form an integral part of this condensed consolidated interim financial information.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009**

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

## Attributable to equity shareholders of the Company

The notes on pages 23 to 58 form an integral part of this condensed consolidated interim financial information.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN  
EQUITY (*continued*)**  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

*Note:*

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 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.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

	<b>2009</b> <b>HK\$'000</b> <b>Unaudited</b>	2008 HK\$'000 Unaudited
Net cash used in operating activities	<b>(15,280)</b>	(6,443)
Net cash used in investing activities	<b>(70)</b>	(2,479)
Net cash (used in)/generated from financing activities	<b>(543)</b>	460
<b>Net decrease in cash and cash equivalents</b>	<b>(15,893)</b>	(8,462)
<b>Cash and cash equivalents as at 1 April</b>		
– Continuing operations	<b>78,209</b>	91,013
– Discontinued operation	<b>–</b>	2,660
	<b>78,209</b>	93,673
<b>Cash and cash equivalents as at 30 September</b>	<b>62,316</b>	85,211

## **NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

*FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009*

### **1. BASIS OF PREPARATION**

This condensed consolidated interim financial information for the six months ended 30 September 2009 comprises Amax Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"). This condensed consolidated interim financial information has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standards ("HKAS") 34, Interim financial reporting, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issue on 18 December 2009.

The condensed consolidated interim financial information has been prepared in accordance with the same accounting policies adopted in the annual financial statements of the Group for the year ended 31 March 2009, except for the accounting policy changes that are expected to be reflected in the annual financial statements for the year ending 31 March 2010. Details of these changes in accounting policies are set out in note 2.

The preparation of an interim financial information in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This condensed consolidated interim financial information contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the annual financial statements of the Group for the year ended 31 March 2009. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRSs").

The condensed consolidated interim financial information is unaudited, but has been reviewed by CCIF CPA Limited ("CCIF") in accordance with Hong Kong Standard on Review Engagement 2410, Review of interim financial information performed by the independent auditor of the entity, issued by the HKICPA. CCIF's independent review report to the Board of Directors is included on pages 13 to 14. In addition, this condensed consolidated interim financial information has been reviewed by the Company's Audit Committee.

## 1. BASIS OF PREPARATION (*Continued*)

The financial information relating to the financial year ended 31 March 2009 that is included in the interim financial report as being previously reported information does not constitute the Company's statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 March 2009 are available from the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their dated 17 July 2009 and they are available from the Company's registered office.

## 2. CHANGES IN ACCOUNTING POLICIES

(a) The HKICPA has issued one new HKFRSs, a number of amendments to HKFRSs and new Interpretations that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

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

## **2. CHANGES IN ACCOUNTING POLICIES (*Continued*)**

The amendments to HKAS 23 and HKFRS 2 and Improvements to HKFRSs (2008) have had no material impact on the Group's financial statements as the amendments and interpretations were consistent with policies already adopted by the Group. In addition, the amendments to HKFRS 7 do not contain any additional disclosure requirements specifically applicable to the unaudited interim financial report. The impact of the remainder of these developments on the unaudited interim financial report is as follows:

- HKFRS 8 requires segment disclosure to be based on the way that the Group's chief operating decision maker regards and manages the Group, with the amounts reported for each reportable segment being the measures reported to the Group's chief operating maker for the purposes of assessing segment performance and making decisions about operating matters. This contrasts with the presentation of segment information in prior years which has been based on a disaggregation of the Group's financial statements into segments based on business and geographical segments. The adoption of HKFRS 8 has resulted in the presentation of segment information in a manner that is more consistent with internal reporting provided to the group's most senior executive management, and has resulted in additional reportable segments being identified and presented (see note 3). As this is the first period in which the Group has presented segment information in accordance with HKFRS 8, additional explanation has been included in the interim financial report which explains the basis of preparation of the information. Corresponding amounts have also been provided on a basis consistent with the revised segment information.
- As a result of the adoption of HKAS 1 (revised 2007), details of changes in equity during the period arising from transactions with equity shareholders in their capacity as such have been presented separately from all other income and expenses in a revised consolidated statement of changes in equity. All other items of income and expense are presented in the consolidated income statement, if they are recognised as part of profit or loss for the period, or otherwise in a new primary statement, the consolidated statement of comprehensive income. The new format for the consolidated statement of comprehensive income and the consolidated statement of changes in equity has been adopted in this interim financial report and corresponding amounts have been restated to conform to the new presentation. This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any period presented.

## 2. CHANGES IN ACCOUNTING POLICIES (*Continued*)

- The amendments to HKAS 27 have removed the requirement that dividends out of pre-acquisition profits should be recognised as a reduction in the carrying amount of the investment in the investee, rather than as income. As a result, as from 1 January 2009 all dividends receivable from subsidiaries, associates and jointly controlled entities, whether out of pre- or post-acquisition profits, will be recognized in the Company's consolidated statement of comprehensive income and the carrying amount of the investment in the investee will not be reduced unless that carrying amount is assessed to be impaired as a result of the investee declaring the dividend. In such cases, in addition to recognizing dividend income in consolidated statement of comprehensive income, the Company would recognise an impairment loss. In accordance with the transitional provisions in the amendment, this new policy will be applied prospectively to any dividends receivable in the current or future periods and previous periods have not been restated.
- (b) The Group has not early adopted the new and revised HKFRSs that have been issued but are not yet effective. The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, it is unlikely to have a significant impact on the Group's results of operations and financial position.

## 3. SEGMENT REPORTING

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

### **Continuing operations**

Investments in gaming and entertainment related business segment:

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

### **Discontinued operation:**

LCD products segment:

- the manufacturing and sales of LCD and LCD modules.

### **3. SEGMENT REPORTING (*Continued*)**

#### **(a) Segment results, assets and liabilities**

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

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

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

---

27

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

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

### 3. SEGMENT REPORTING (*Continued*)

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

	Continuing operations	Discontinued operation	Total
Investments in gaming and entertainment related business		LCD products	Unaudited HK\$'000
Unaudited HK\$'000		Unaudited HK\$'000	Unaudited HK\$'000

For the six months ended 30 September 2009

#### Revenue

Revenue from external customers	<u>92,057</u>	—	<u>92,057</u>
Reportable segment loss before taxation (including share of profit of an associate)	<u>(1,192,606)</u>	—	<u>(1,192,606)</u>

#### At 30 September 2009

Reportable segment assets	<u>2,200,178</u>	—	<u>2,200,178</u>
Reportable segment liabilities	<u>732,567</u>	—	<u>732,567</u>

### 3. SEGMENT REPORTING (*Continued*)

	Continuing operations	Discontinued operation	
	Investments in gaming and entertainment related business	LCD products	Total
	Unaudited HK\$'000	Unaudited HK\$'000	Unaudited HK\$'000
<b>For the six months ended 30 September 2008</b>			
<b>Revenue</b>			
Revenue from external customers	272,702	25,170	297,872
Reportable segment profit/(loss) before taxation (including share of loss of an associate)	212,393	(3,972)	208,421
<b>At 31 March 2009</b>			
Reportable segment assets	3,676,458	-	3,676,458
Reportable segment liabilities	1,043,551	-	1,043,551

### 3. SEGMENT REPORTING (*Continued*)

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

	Six months ended 30 September	
	2009 HK\$'000 Unaudited	2008 HK\$'000 Unaudited
<b>(LOSS)/PROFIT</b>		
Reportable segment (loss)/profit derived from Group's external customers	<b>(1,192,606)</b>	208,421
Unallocated head office and corporate expenses	<b>(15,802)</b>	(23,762)
Gain on disposal of the discontinued operation	<b>—</b>	34,297
(Loss)/profit before taxation from continuing operations and profit from discontinued operation	<b>(1,208,408)</b>	<b>218,956</b>
<b>ASSETS</b>		
Reportable segment assets	<b>2,200,178</b>	3,676,458
Unallocated head office and corporate assets	<b>101,425</b>	48,165
Total assets	<b>2,301,603</b>	3,724,623

### 3. SEGMENT REPORTING (*Continued*)

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

	<b>At 30 September 2009 HK\$'000 Unaudited</b>	At 31 March 2009 HK\$'000 Unaudited
<b>LIABILITIES</b>		
Reportable segment liabilities	<b>732,567</b>	1,043,551
Unallocated head office and corporate liabilities	<b>8,013</b>	9,680
Total liabilities	<b>740,580</b>	1,053,231

## 4. TURNOVER

An analysis of the Group's turnover is as follows:

	Note	Six months ended 30 September	
		2009 HK\$'000 Unaudited	2008 HK\$'000 Unaudited
<b>Continuing operations:</b>			
Revenue from investments in gaming and entertainment related business			
– Investment in Junket related operation	a	<b>89,972</b>	269,161
– Investment in VIP gaming related operation	b	<b>1,673</b>	2,266
– Investment in LIVE baccarat system operation	c	–	571
– Investment in slot machine operation	d	<b>412</b>	704
		<b>92,057</b>	272,702
<b>Discontinued operation (note 10(b)):</b>			
Sales of LCD products		–	25,170
		<b>92,057</b>	297,872

### (a) 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"). AMA was incorporated in Macau and is holding a junket license issued by the Gaming Inspection and Coordination Bureau of the Macau Government to develop the activity of 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 16) and the Second Profit Transfer Agreement (see note 16).

#### 4. TURNOVER (*Continued*)

##### (a) Investment in Junket related operation (*Continued*)

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

	Six months ended 30 September	
	2009 HK\$'000 <b>Unaudited</b>	2008 HK\$'000 Unaudited
Commission from the Altira Macau Casino (formerly known as the Crown Macau Casino)	<b>1,754,656</b>	2,980,584
Income from other promotion services	<b>35,411</b>	46,347
	<b>1,790,067</b>	3,026,931
Operating expenses		33
Commission to sub-junkets	<b>(1,547,201)</b>	(2,595,078)
Special gaming tax and funds to the Macau government	<b>(12,952)</b>	(21,591)
Direct cost of promotion services	<b>(45,797)</b>	(56,559)
Staff costs	<b>(12,364)</b>	(7,948)
Administrative expenses and others	<b>(9,288)</b>	(9,304)
	<b>(1,627,602)</b>	(2,690,480)
Contribution from junket aggregation business	<b>162,465</b>	336,451
Provision for bad and doubtful debt*	<b>(50,000)</b>	–
	<b>112,465</b>	336,451
Entitlement attributable to a shareholder of AMA	<b>(32,493)</b>	(67,290)
Provision for bad and doubtful debt attributable to a shareholder of AMA*	<b>10,000</b>	–
Net entitlement attributable to a shareholder of AMA	<b>(22,493)</b>	(67,290)
Net contribution attributable to the Group	<b>89,972</b>	269,161

#### 4. TURNOVER (*Continued*)

##### (a) Investment in Junket related operation (*Continued*)

- \* The amount represents the provision for bad and doubtful debts of AMA that are not covered by the amount guaranteed by a shareholder. For the details, please refer to note 21(b)(i).

##### (b) 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.

The revenue and expenses related to VIP gaming related operation are summarised as follows:

	Six months ended 30 September	
	2009 HK\$'000 Unaudited	2008 HK\$'000 Unaudited
Share of net gaming wins	14,578	3,875
Chip commissions*	-	5,129
Fees and allowances*	-	1,378
	<b>14,578</b>	10,382
Operating expenses		
Special gaming tax and funds to the Macau government	-	(67)
Commission to collaborators	(12,487)	(7,019)
	<b>(12,487)</b>	(7,086)
Contribution from VIP gaming operation	2,091	3,296
Shared by the Greek Mythology Casino	(418)	(1,030)
Net contribution attributable to the Group	<b>1,673</b>	2,266

- \* Since the change of arrangement for share of the net gaming wins from the VIP room, no chip commission income and fees and allowances income were recognized for the period ended 30 September 2009.

#### 4. TURNOVER (*Continued*)

##### (c) 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 therefrom. The business ceased in October 2008 due to the poor performance of operation.

##### (d) 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 therefrom.

#### 5. OTHER REVENUE

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

	Six months ended 30 September	
	2009 HK\$'000	2008 HK\$'000
	Unaudited	Unaudited
<b>Continuing operations:</b>		
Interest income from banks	-	258
Interest income from loan to promissory note holders	<b>1,423</b>	-
Gain on fair value upon shares issued against the promissory notes*	<b>35,251</b>	-
Rental income	<b>108</b>	90
Sundry income	<b>6</b>	79
	<b>36,788</b>	427
<b>Discontinued operation (note 10(b)):</b>		
Interest income from banks	-	1
Sundry income	-	48
	<b>-</b>	49
	<b>36,788</b>	476

\* The amount represents the difference between the carrying amount of promissory notes being offset and the fair value of the shares issued. For the details, please refer to note 20, 21(b)(i) and 21(b)(ii).

## 6. (LOSS)/PROFIT FROM OPERATIONS

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

	<b>Six months ended 30 September</b>	
	<b>2009</b>	2008
	<b>HK\$'000</b>	HK'000
	<b>Unaudited</b>	Unaudited
<b>(a) Staff costs</b>		
<b>Continuing operations:</b>		
Equity-settled share-based payment expenses	<b>2,670</b>	2,498
Salaries, wages and other benefits	<b>6,749</b>	8,225
Contributions to defined contribution retirement plans	<b>145</b>	307
	<hr/> <b>9,564</b>	<hr/> 11,030
<b>Discontinued operation:</b>		
Salaries, wages and other benefits	–	4,509
Contributions to defined contribution retirement plans	–	21
	<hr/> –	<hr/> 4,530
	<hr/> <b>9,564</b>	<hr/> 15,560

**6. (LOSS)/PROFIT FROM OPERATIONS (*Continued*)**

	<b>Six months ended 30 September</b>	
	<b>2009 HK\$'000 Unaudited</b>	<b>2008 HK'000 Unaudited</b>
<b>(b) Other items:</b>		
<b>Continuing operations:</b>		
Depreciation of property, plant and equipment	<b>851</b>	952
Amortisation of intangible assets	<b>905</b>	1,269
Loss on disposal of fixed assets	<b>729</b>	–
Auditor's remuneration		
– audit services	–	100
– other services	<b>190</b>	290
Operation lease charges in respect of premises:		
– minimum lease payments	<b>1,658</b>	1,515
Gross rental income from investment properties less direct outgoings of HK\$35,000 (2008: HK\$35,000)	<b>(73)</b>	(55)
<b>Discontinued operation:</b>		
Depreciation of property, plant and equipment	–	511
Net foreign exchange loss	–	556
Operating lease charges in respect of premises:		
– minimum lease payments	–	934
Cost of inventories	–	20,594

## 7. DIRECTORS' EMOLUMENTS

The summary of directors' emoluments is as follows:

### For the six months ended 30 September 2009

	Directors' fee HK\$'000 Unaudited	Salaries, allowances and benefits in kind HK\$'000 Unaudited	Retirement scheme contributions HK\$'000 Unaudited	Share-based payments HK\$'000 Unaudited	Total HK\$'000 Unaudited
Executive directors	-	1,765	73	1,234	3,072
Non-executive director	60	-	-	147	207
Independent non-executive directors	323	-	-	440	763
	<u>383</u>	<u>1,765</u>	<u>73</u>	<u>1,821</u>	<u>4,042</u>

38

### For the six months ended 30 September 2008

	Directors' fee HK\$'000 Unaudited	Salaries, allowances and benefits in kind HK\$'000 Unaudited	Retirement scheme contributions HK\$'000 Unaudited	Share-based payments HK\$'000 Unaudited	Total HK\$'000 Unaudited
Executive directors	-	4,420	251	1,249	5,920
Non-executive director	16	-	-	-	16
Independent non-executive directors	171	-	-	-	171
	<u>187</u>	<u>4,420</u>	<u>251</u>	<u>1,249</u>	<u>6,107</u>

## 8. FINANCE COSTS

	<b>Six months ended 30 September</b>	
	<b>2009</b> <b>HK\$'000</b> <b>Unaudited</b>	<b>2008</b> <b>HK\$'000</b> <b>Unaudited</b>
<b>Continuing operations:</b>		
Interest on other borrowings	<b>20</b>	163
Interest on promissory notes	<b>24,202</b>	29,653
	<hr/>	<hr/>
	<b>24,222</b>	29,816
<b>Discontinued operation (note 10(b)):</b>		
Interest on borrowings wholly repayable within five years	<b>–</b>	1,124
	<hr/>	<hr/>
	<b>24,222</b>	30,940
	<hr/>	<hr/>

## 9. INCOME TAX

### (a) Continuing operations

No provision for Hong Kong profits tax and overseas income tax has been made as the companies of the Group comprising the continuing operations have no estimated assessable profits for the six months ended 30 September 2009 and 2008.

### (b) Discontinued operation

No provision for Hong Kong profits tax and overseas income tax has been made as the companies of the Group comprising the discontinued operation have no estimated assessable profits during the six months ended 30 September 2008.

### (c) Deferred taxation not recognized

There was no material unprovided deferred taxation. The Group has not recognized deferred tax assets in respect of cumulative tax losses of approximately HK\$90 million (31 March 2009: HK\$81 million) as it is not probable that future taxable profits against which tax losses can be utilized will be available in the relevant tax jurisdiction and entity. The tax losses do not expire under current tax legislation.

## 10. DISCONTINUED OPERATION

The Group's manufacturing and trading of LCD products was discontinued at 29 September 2008 following the disposal of the entire interests on Profit Goal Holdings Limited and its subsidiaries to an independent third party, resulting in a net gain on disposal of approximately HK\$34,297,000.

- (a) The gain for the period from the discontinued operation is analysed as follows:

	2008 HK\$'000 Unaudited
Loss of the discontinued operation for the period	(3,972)
Gain on disposal of the discontinued operation	<u>34,297</u>
	30,325

**40**

- (b) The results of the discontinued operation for the six months ended 30 September 2008 was as follows:

	2008 Note HK\$'000 Unaudited
<b>Turnover</b>	4 25,170
Cost of sales	<u>(20,315)</u>
<b>Gross Profit</b>	4,855
Other revenue	5 49
Selling and distribution expenses	(2,832)
General and administrative expenses	<u>(4,920)</u>
<b>Loss from operation</b>	(2,848)
Finance costs	8 (1,124)
Gain on disposal of subsidiaries	<u>34,297</u>
<b>Profit before taxation</b>	30,325
Income tax	<u>—</u>
<b>Profit for the period</b>	<u>30,325</u>

## 10. DISCONTINUED OPERATION (*Continued*)

- (c) The net cash flows contributed by the discontinued operation up to the date of completion of disposal, which have been included in the condensed consolidated statement of cash flows for the six months ended 30 September 2008 was as follows:

	2008 HK\$'000 Unaudited
Net cash used in operating activities	(2,379)
Net cash used in investing activities	(196)
Net cash generated from financing activities	<u>1,459</u>
Net cash used in discontinued operation	<u>(1,116)</u>

## 11. GAIN ON DISPOSAL OF SUBSIDIARIES

Net liabilities of subsidiaries disposed of are as follows:

	2008 HK\$'000 Unaudited
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	<u>(31,487)</u>
Net liabilities disposed of	(34,287)
Waiver of amount due from the Company	<u>(10)</u>
Gain on disposal	<u>(34,297)</u>
Consideration received (HK\$1)	–
Less: Cash disposed of	(1,543)
Cash and cash equivalents arising on disposal	<u>(1,543)</u>

## 12. DIVIDENDS

	Six months ended 30 September 2009		Six months ended 30 September 2008	
	HK cents per share <b>Unaudited</b>	HK\$'000 <b>Unaudited</b>	HK cents per share <b>Unaudited</b>	HK\$'000 <b>Unaudited</b>
Interim dividend proposed	—	—	1.5	39,883

At the Board meeting of the Company held on 19 December 2008, the Directors proposed the payment of an interim dividend of HK1.5 cents per share, approximately HK\$39,883,000. This interim dividend was paid after the interim period ended 30 September 2008.

## 13. (LOSS)/EARNINGS PER SHARE

### (a) Basic (loss)/earnings per share

*For continuing and discontinued operation*

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

- i) (Loss)/profit attributable to ordinary equity shareholders of the Company

	Six months ended 30 September	
	2009 HK\$'000 <b>Unaudited</b>	2008 HK\$'000 Unaudited
Continuing operations	(1,208,408)	188,670
Discontinued operation	—	30,325
	<b>(1,208,408)</b>	<b>218,995</b>

### 13. (LOSS)/EARNINGS PER SHARE (*Continued*)

#### (a) Basic (loss)/earnings per share (*Continued*)

- ii) Weighted average number of ordinary shares

	<b>2009</b> '000 <b>Unaudited</b>	2008 '000 Unaudited
Issued ordinary shares at 1 April	<b>2,658,889</b>	26,588,897
Effect of share consolidation	–	(23,930,008)
Effect of shares issued against Promissory Notes	<b>771,475</b>	–
Shares issued under employee share options schemes	<b>4,132</b>	–
Weighted average number of ordinary shares at 30 September	<b>3,434,496</b>	2,658,889

*For continuing operations*

The calculation of the basic (loss)/earnings per share is based on the unaudited loss attributable to ordinary equity shareholders of the Company from continuing operations of HK\$1,208,408,000 (2008: profit of HK\$188,670,000) and the weighted average number of ordinary shares of 3,434,496,000 shares (2008: 2,658,889,000 shares) in issue during the period.

*For discontinued operation*

For the period ended 30 September 2009, the diluted loss per share for discontinued operation is not presented as the Company does not have any discontinued operation.

For the period ended 30 September 2008, the calculation of the basic earnings per share is based on the Group's unaudited profit attributable to shareholders from discontinued operation of HK\$30,325,000 and the weighted average number of ordinary shares of 2,658,889,000 shares in issue during the period.

### 13. (LOSS)/EARNINGS PER SHARE (*Continued*)

#### (b) Diluted (loss)/earnings per share

*For continuing and discontinued operation*

The calculation of diluted (loss)/earnings per share is based on the unaudited loss attributable to ordinary equity shareholders of the Company of HK\$1,208,408,000 (2008: profit of HK\$218,995,000) and the weighted average number of ordinary shares of 3,442,395,000 shares (2008: 2,658,889,000 shares) in issue during the period, calculated as follows:

*Weighted average number of ordinary shares (diluted)*

	2009 '000	2008 '000	
	<b>Unaudited</b>	Unaudited	
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	<b>3,434,496</b>	2,658,889	
Effect of deemed issue of shares under Company's share option scheme for nil consideration	<b>7,899</b>	—	
Weighted average number of ordinary shares (diluted) for the purpose of diluted (loss)/earnings per share	<b>3,442,395</b>	2,658,889	

*For continuing operations*

The calculation of diluted (loss)/earnings per share is based on the unaudited loss attributable to ordinary equity shareholders of the Company from continuing operations of HK\$1,208,408,000 (2008: profit of HK\$188,670,000) and the weighted average number of ordinary shares of 3,442,395,000 shares (2008: 2,658,889,000 shares) in issue during the period.

*For discontinued operation*

For the period ended 30 September 2009, the diluted loss per share for discontinued operation is not presented as the Company does not have any discontinued operation.

For the period ended 30 September 2008, the calculation of diluted earnings per share is based on the unaudited profit attributable to ordinary equity shareholders of the Company from discontinued operation of HK\$30,325,000 and the weighted average number of ordinary shares of 2,658,889,000 shares in issue during the period.

#### 14. NON-CURRENT ASSETS

	Leasehold improvements HK\$'000	non-current assets HK\$'000	Other HK\$'000	Sub-total HK\$'000	Investment properties HK\$'000	Total HK\$'000
Cost or valuation:						
At 1 April 2009	4,172	4,765		8,937	3,390	12,327
Additions	45	5		50	-	50
Disposals	(888)	(218)		(1,106)	-	(1,106)
	_____	_____	_____	_____	_____	_____
At 30 September 2009 (unaudited)	3,329	4,552		7,881	3,390	11,271
Accumulated depreciation:						
At 1 April 2009	2,194	1,703		3,897	-	3,897
Charge for the period	386	465		851	-	851
Write back on disposals	(319)	(58)		(377)	-	(377)
	_____	_____	_____	_____	_____	_____
At 30 September 2009 (unaudited)	2,261	2,110		4,371	-	4,371
Net carrying value:						
At 30 September 2009 (unaudited)	1,068	2,442		3,510	3,390	6,900
At 31 March 2009 (audited)	1,978	3,062		5,040	3,390	8,430
	_____	_____	_____	_____	_____	_____
						45

## 15. INTEREST IN AN ASSOCIATE

- (a) The following list contains only the particulars of the associate, an unlisted corporate entity, which principally affected the results or assets of the Group:

Name of associate	Form of business structure	Place of incorporation and operation	Particulars of issued and paid up capital	Group's effective interest	Held by the Company	Principal activity
Greek Mythology (Macau) Entertainment Group Corporation Limited ("Greek Mythology")	Incorporated	Macau	2,412 ordinary shares of MOP1,000 each	49.9%	49.9%	Gaming and entertainment related business

- (b) Summary financial information on the associate:

100 per cent Group's effective interest	Six months ended 30 September 2009				
	Revenue HK\$'000	Operating profit HK\$'000	Amortisation of intangible asset HK\$'000	Impairment of intangible asset HK\$'000	Net profit HK\$'000
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
	<u>152,820</u> <u>76,257</u>	<u>90,600</u> <u>45,209</u>	<u>(62,279)</u> <u>(31,077)</u>	<u>(24,367)</u> <u>(12,159)</u>	<u>3,954</u> <u>1,973</u>
100 per cent Group's effective interest					

100 per cent Group's effective interest	Six months ended 30 September 2008				
	Revenue HK\$'000	Operating profit HK\$'000	Amortisation of intangible asset HK\$'000	Impairment of intangible asset HK\$'000	Net loss HK\$'000
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
	<u>78,011</u> <u>38,928</u>	<u>23,896</u> <u>11,924</u>	<u>(77,592)</u> <u>(38,718)</u>	<u>-</u> <u>-</u>	<u>(53,696)</u> <u>(26,794)</u>
100 per cent Group's effective interest					

## **15. INTEREST IN AN ASSOCIATE (*Continued*)**

(c) 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 which has 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 calculations. These calculations use cash flow projections based on financial budgets approved by the management covering a four-year period, and cash flows for the following seven years are extrapolated using the following estimated rates. The management made a downward adjustment to the growth rate assumption covering the four-year period as compared with rate used in the financial statements for the year ended 31 March 2009. The reason for such decision was due to the explosive growth experienced by the casino in recent months, and also the likely adversities the property will face when targeting for further growth. Current growth assumption of 12% is inline with external expectations.

---

47

Key assumptions used for value-in-use calculations:

	<b>2009</b>
	%
– Growth in revenue year-on-year	3 – 12
– Discount rate	12.73

The revenue growth rate of Greek Mythology Casino is determined by the management is based on past performance, 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 30 September 2009 were contained in a report based on a valuation carried out by an independent professional valuer, Grant Sherman Appraisal Limited ("Grant Sherman") 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 30 September 2009 is greater than its recoverable amount, and the management considered that an impairment loss of approximately HK\$24,367,000 (2008: nil) is necessary at the associate level. The Group's share of impairment loss of the intangible asset of HK\$12,159,000 (2008: nil) is included in the "share of profit of an associate" in the condensed consolidated income statement for the period ended 30 September 2009.

## 16. OTHER FINANCIAL ASSET

	HK\$'000
<b>Available-for sale financial asset</b>	
At 1 April 2009 (audited)	2,095,268
Less: Impairment loss	
– through income statement	
– through statement of comprehensive income	
	(1,294,978)
	(195,268)
	(1,490,246)
At 30 September 2009 (unaudited)	<u>605,022</u>

On 10 September 2007, Ace High, a subsidiary of the Group, entered into a loan and transfer profits agreement (the "First Profit Transfer Agreement") with AMA. Pursuant to the First Profit Transfer Agreement, the Group agreed to grant a loan facility of up to the maximum aggregate amount of HK\$3 billion for the operating capital of AMA to carry out the junket related business. In return, AMA agreed to transfer all profits (the "Profits") generated by AMA from the junket related operation under the gaming promotion agreement dated 21 August 2007 entered into, between AMA and Melco PBL Gaming (Macau) Limited (the "Gaming Operator"). The profits represent the aggregate commissions and bonuses payable by the Gaming Operator to AMA thereunder 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.

## **16. OTHER FINANCIAL ASSET (*Continued*)**

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

In view of the implementation of an 1.25% cap on junket commissions by the Macau Government with effect from 1 December 2009, the junket related business of AMA is adversely affected. The management of the Group reviews internal and external sources of information in respect of the fair value of available-for-sale financial asset to identify indications that the available-for-sale financial assets may be impaired.

The fair value of available-for-sale financial asset as at 30 September 2009 was measured using the value-in-use calculations by an independent professional valuer, Grant Sherman.

The valuation is based on cash flow projections derived from the most 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% plus a terminal value. The rate used to discount the forecast cash flow is 19%.

Based on the assessment, the directors of the Company are of the opinion that an impairment loss of HK\$1,490,246,000 should be made for the period ended 30 September 2009.

## 17. TRADE AND OTHER RECEIVABLES

The ageing analysis of trade and other receivable at the respective balance sheet dated is as follows:

	<b>30 September 2009 HK\$'000 Unaudited</b>	31 March 2009 HK\$'000 Audited
Trade receivables		
Current	<b>619,459</b>	603,369
Loans to promissory notes holders (note 17(a))	<b>55,000</b>	–
Deposit for a project (note 17(b))	<b>29,800</b>	–
Other receivables	<b>14,295</b>	31,604
	<hr/> <b>718,554</b>	<hr/> 634,973

- (a) Loans to promissory note holders bears interest at 8% per annum and repayable on 31 August 2009. The loans are secured by promissory notes with face value of HK\$150,000,000.
- (b) The deposit for a project is unsecured, interest-free and repayable on 31 March 2010.

## 18. TRADE AND OTHER PAYABLES

The ageing analysis of trade payables at the respective balance sheet dated is as follows:

	<b>30 September 2009 HK\$'000 Unaudited</b>	31 March 2009 HK\$'000 Audited
Trade payables		
After 3 months	<b>1,653</b>	1,653
Other payables	<b>127,945</b>	138,366
	<hr/> <b>129,598</b>	<hr/> 140,019

## 19. BORROWINGS

	<b>30 September 2009 HK\$'000 Unaudited</b>	31 March 2009 HK\$'000 Audited
Other loans from independent third parties, unsecured		
– bearing interest at 6.5% per annum and repayable on demand	5,000	5,000
– non-interest-bearing and repayable on demand	–	1,600
Current portion	<u>5,000</u>	<u>6,600</u>

## 20. PROMISSORY NOTES

- (a) In 2006, the Company issued promissory notes with a total face value of approximately HK\$1,454,722,000 to shareholders of the associate as part of the consideration for the acquisition of the associate.

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

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

	HK\$'000
At 1 April 2009 (audited)	906,612
Less: offset by issuing shares (note 21(b))	<u>(300,630)</u>
At 30 September 2009 (unaudited)	<u>605,982</u>

## 21. SHARE CAPITAL

	Note	Number of shares '000	Amount HK\$'000
<b>Ordinary shares, issued and fully paid</b>			
As 1 April 2008 (audited)		26,588,897	26,589
Consolidation of every 10 shares of HK\$0.001 each into 1 consolidated share of HK\$0.01 each	(a)	(23,930,008)	-
At 31 March 2009 (audited) and 1 April 2009		2,658,889	26,589
Shares issued against the promissory notes	(b)	1,140,000	11,400
Shares issued under employee share options schemes		7,100	71
As 30 September 2009 (unaudited)		<u>3,805,989</u>	<u>38,060</u>

Notes:

**(a) Shares consolidation**

Pursuant to the resolution passed at the special general meeting of the Company held on 7 April 2008, the share consolidation ("Share Consolidation") took effect immediately on 8 April 2008 whereby 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.

## **21. SHARE CAPITAL (*Continued*)**

### **(b) Shares issued against the promissory notes**

- (i) On 20 March 2009, the Company entered into a subscription agreement (the "Subscription Agreement") with Mr. Ng Man Sun ("Mr. Ng"), a shareholder of the Company, pursuant to which the Company 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 is settled by setting off against the face value of the promissory note held by Mr. Ng in an amount of HK\$400,000,000.

Mr. Ng is also the business consultant of AMA. Pursuant to the Subscription Agreement, Mr. Ng has irrevocably undertaken and guaranteed to the Company that the bad debt of AMA shall not be more than HK\$50,000,000 for each of the three years preceding the year ending 31 March 2011 ("the Guaranteed Amount"). Any excess of the Guarantee Amount during the relevant period shall be set off by a specified amount of face value of his promissory note which is subject to be reduced by an amount of the excess net profit of the Company against previous year during the relevant period, if any.

---

53

Upon completion, the Company and Mr Ng entered into a consultancy agreement (the "Consultancy Agreement"). Pursuant to which Mr. Ng shall provide various business development advisory and consultancy services to the Company, including, inter alia, the provision of all necessary assistance to the Group in managing and developing the existing investments of the Group in the gaming or gaming promotion business in Macau and in exploring and evaluating all future potential investments of the Group in the gaming or gaming promotion business in Macau, for an annual consultancy fee of HK\$1.

- (ii) 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.

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 the agreements 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 was settled by the Subscriber under the Agreements by 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.

## 22. SHARE OPTIONS

The Company has a share option scheme which was adopted on 12 August 2002 whereby the Directors of the Company are authorized, to invite at their discretion, 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. Each option gives the holder the right to subscribe for one ordinary share in the Company.

- (a) The terms and conditions of the grants that existed during the six months ended 30 September 2009 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	4,000,000	Immediately vested	10 years
– on 28 January 2008	0.7360	3,000,000	One year from the date of grant	10 years
– on 28 January 2008	0.7360	3,000,000	Two years from the date of grant	10 years
– on 20 October 2008	0.1332	5,200,000	Immediately vested	10 years
– on 23 April 2009	0.1930	10,000,000	One year from the date of grant	10 years
– on 12 May 2009	0.2290	17,400,000	One year from the date of grant	10 years
		<u>42,600,000</u>		
Options granted to employees:				
– on 28 January 2008	0.7360	3,760,000	Immediately vested	10 years
– on 28 January 2008	0.7360	2,820,000	One year from the date of grant	10 years
– on 28 January 2008	0.7360	2,820,000	Two years from the date of grant	10 years
– on 23 April 2009	0.1930	7,000,000	One year from the date of grant	10 years
– on 12 May 2009	0.2290	3,500,000	One year from the date of grant	10 years
		<u>19,900,000</u>		
Total number of shares issuable under options granted		<u>62,500,000</u>		

**22. SHARE OPTIONS (Continued)**

- (b) The particulars of the movement of the Company's share options during the six months ended 30 September 2009 is as follows:

Directors and eligible employees	No of shares issuable under options ('000)						Exercisable periods
	At 1 April 2009	Granted during the period	Exercised during the period	Lapsed during the period	At 30 September 2009	Date of grant	
<b>Directors</b>							
Immediately vested	4,400	-	-	(400)	4,000	28/1/2008	28/1/2008-27/1/2013
One year from the date of grant	3,300	-	-	(300)	3,000	28/1/2008	28/1/2009-27/1/2013
Two years from the date of grant	3,300	-	-	(300)	3,000	28/1/2008	28/1/2010-27/1/2013
Immediately vested	10,400	-	(2,600)	(2,600)	5,200	20/10/2008	20/10/2008-19/10/2013
One year from the date of grant	-	10,000	-	-	10,000	23/4/2009	23/4/2010-22/4/2019
One year from the date of grant	-	17,400	-	-	17,400	12/5/2009	12/5/2010-11/5/2019
	21,400	27,400	(2,600)	(3,600)	42,600		
<b>Eligible Employees</b>							
Immediately vested	4,400	-	-	(640)	3,760	28/1/2008	28/1/2008-27/1/2013
One year from the date of grant	3,300	-	-	(480)	2,820	28/1/2008	28/1/2009-27/1/2013
Two years from the date of grant	3,300	-	-	(480)	2,820	28/1/2008	28/1/2010-27/1/2013
Immediately vested	4,500	-	(4,500)	-	-	12/3/2009	5/4/2009-11/3/2019
One year from the date of grant	-	7,000	-	-	7,000	23/4/2009	23/4/2010-22/4/2019
One year from the date of grant	-	3,500	-	-	3,500	12/5/2009	12/5/2010-11/5/2019
	15,500	10,500	(4,500)	(1,600)	19,900		
Total number of shares issuable under options	36,900	37,900	(7,100)	(5,200)	62,500		

Note:

- The vesting periods of the above options are from the date of the options granted until the commencement of the exercisable period.
- During the period options to subscribe for 17,000,000 shares and 20,900,000 shares were granted on 23 April 2009 and 12 May 2009 respectively.

## 23. COMMITMENTS

As at 30 September 2009, the Group had the following commitments:

### (a) Operating lease commitments

At 30 September 2009, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	<b>30 September 2009</b> <b>HK\$'000</b> <b>Unaudited</b>	31 March 2009 HK\$'000 Audited
Within one year	<b>3,026</b>	3,258
In the second to fifth years	<b>1,261</b>	2,705
	<b>4,287</b>	5,963

56

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 lease did not include extension options. None of the leases include contingent rentals.

- (b)** Save as disclosed above, the Group and the Company did not have any other significant capital or financial commitments as at 30 September 2009 and 31 March 2009.

## 24. CONTINGENT LIABILITIES

The Group did not have material contingent liabilities as at 30 September 2009 and 31 March 2009.

## 25. MATERIAL RELATED PARTY TRANSACTIONS

The Group had the following transactions with related parties during the six months ended 30 September 2009.

- (a)** Remuneration for key management personnel is the amounts paid to the Company's Directors as disclosed in Note 7.

## 25. MATERIAL RELATED PARTY TRANSACTIONS (*Continued*)

### (b) Other related party transactions

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

	<b>Six months ended 30 September</b>	
	<b>2009 HK\$'000 Unaudited</b>	2008 HK\$'000 Unaudited
Gross revenue from AMA's junket aggregation business received and receivable from AMA, a director of the Company's subsidiary has controlling interest*	-	163,724
Consultancy fee charged by an ex-director of the Company's subsidiary	-	30
	<hr/>	<hr/>

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 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.

The outstanding balances arising from above transactions at 30 September 2009 and 31 March 2009 are as follows:

	Note	<b>30 September 2009 HK\$'000 Unaudited</b>	31 March 2009 HK\$'000 Audited
Amount due to Hong Kong North West Express Limited	(i)	-	(1,653)
		<hr/>	<hr/>

Note:

- (i) The amount due to Hong Kong North West Express Limited ("HK North West Express") is unsecured, interest free and has no fixed repayment terms. The amount due to HK North West Express is included in "Trade payables" under "Trade and other payables" (Note 18).

## 26. COMPARATIVE FIGURES

As a result of the application of HKAS 1 (revised 2007), Presentation of financial statements, and HKFRS 8, Operating segments, certain comparative figures have been adjusted to conform to current period's presentation and to provide comparative amounts in respect of items disclosed for the first time in 2009. Further details of these developments are disclosed in note 2.