AMAX
Holdings Limited

Amax Holdings Limited
奧 瑪 仕 控 股 有 限 公 司

(Incorporated in Bermuda with limited liability)

(Stock Code: 959)

ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2012

FINANCIAL HIGHLIGHT

- The Group's share of profit of associates was approximately HK$238.4 million, compared to the restated prior year of approximately HK$844 million.
- The Group's profit for the financial year amount to approximately HK$161.1 million, compared to the restated prior year profit of approximately HK$555.3 million.
- The Group's earnings per share amount to approximately HK$0.04 compared to the restated prior year earnings per share of approximately HK$0.14.
- The Group's net assets amount to approximately HK$1.06 billion, increased by approximately HK$163 million and represent approximately 18.2% increase as compared to the restated figure in the prior year.

During the financial year under review, the Group is principally engaged in investment holding and investments in gaming and entertainment related business.

The directors (the "Directors") of Amax Holdings Limited (the "Company") are pleased to announce the audited consolidated results of the Company and its subsidiaries (together the "Group") for the year ended 31 March 2012 are as follows:

CONSOLIDATED INCOME STATEMENT
For the year ended 31 March 2012

	Note	**2012** *HK$'000*	2011 *HK$'000* (restated)
Turnover	3	**4,921**	4,860
Other income	3	**262**	43,913
Selling and distribution expenses		**(1,989)**	(883)
General and administrative expenses		**(23,512)**	(24,062)
Fair value gain on investment properties		**280**	610
Impairment of available-for-sale financial asset		**(30,936)**	(90,924)
Impairment of goodwill		**(18,309)**	—
Loss on dilution of equity interest in an associate		**—**	(224,424)
Reversal of impairment of intangible assets		**—**	11,499
Reversal of impairment of other receivables		**1,500**	2,000
Share of profit of associates		**238,364**	844,007
Finance costs	5	**(9,489)**	(11,262)
Profit before taxation	4	**161,092**	555,334
Income tax	6	**—**	—
Profit for the year		**161,092**	555,334
Attributable to:			
Owners of the Company		**162,251**	555,334
Non-controlling interests		**(1,159)**	—
Profit for the year		**161,092**	555,334
Earnings per share		*HK Cents*	*HK Cents*
— basic	8(a)	**3.91**	14.36
— diluted	8(b)	**3.91**	14.33

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2012

	2012	2011
	HK$'000	*HK$'000*
		(restated)
Profit for the year	**161,092**	555,334
Other comprehensive income for the year:		
Exchange differences on translation of financial statements of foreign operations, net of nil tax	**207**	—
Total comprehensive income for the year	**161,299**	555,334
Attributable to:		
Owners of the Company	**162,395**	555,334
Non-controlling interests	**(1,096)**	—
Total comprehensive income for the year	**161,299**	555,334

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2012

	Note	**31 March 2012 HK$'000**	31 March 2011 HK$'000 (restated)	1 April 2010 HK$'000
Non-current assets				
Property, plant and equipment		**1,913**	1,661	2,298
Investment properties		**4,420**	4,140	3,530
Intangible assets		**16,365**	18,410	7,678
Goodwill		**—**	18,309	—
Interests in associates		**1,191,209**	953,333	330,876
Other financial assets		**—**	30,936	121,860
		1,213,907	1,026,789	466,242
Current assets				
Trade and other receivables	9	**67,856**	79,231	149,617
Cash and cash equivalents		**28,434**	32,026	16,547
		96,290	111,257	166,164
Current liabilities				
Trade and other payables	10	**(106,148)**	(106,431)	(108,048)
Borrowings		**—**	—	(5,000)
		(106,148)	(106,431)	(113,048)
Net current (liabilities)/assets		**(9,858)**	4,826	53,116
Total assets less current liabilities		**1,204,049**	1,031,615	519,358
Non-current liabilities				
Promissory notes		**(145,057)**	(135,568)	(226,726)
NET ASSETS		**1,058,992**	896,047	292,632
CAPITAL AND RESERVES				
Share capital		**41,527**	41,527	38,060
Reserves		**1,016,915**	854,520	254,572
Total equity attributable to owners of the Company		**1,058,442**	896,047	292,632
Non-controlling interests		**550**	—	—
TOTAL EQUITY		**1,058,992**	896,047	292,632

Notes:

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs"), Interpretations and Accounting Guidelines 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 consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 1(c) provides information on any changes in accounting policies resulting from 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 consolidated financial statements.

(b) Basis of preparation of the consolidated financial statements

The measurement basis used in the preparation of the consolidated 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:

— available-for-sale financial assets; and

— investment properties.

As at 31 March 2012, the Group's current liabilities exceeded its current assets by HK$9,858,000. This condition indicates the existence of an uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. Nevertheless, the Directors adopted the going concern basis in the preparation of the consolidated financial statements for the year ended 31 March 2012 as, in their opinion, the Group should be able to continue as a going concern in the coming year taking into consideration the factors which include, but are not limited to:

- actively collecting outstanding debts due from an associate;
- possible continual attainment by an associate of profitable operations and positive cash flows; and
- cost control measures.

If the Group is unable to continue to operate as going concern, adjustments would have to be made to write down the value of all assets to their recoverable amounts, to provide further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

(c) Applications of new and revised HKFRSs

The HKICPA has issued a number of amendments to HKFRSs and one new Interpretation 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 consolidated financial statements:

— HKAS 24 (revised 2009), Related party disclosures

— Improvements to HKFRSs (2010)

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

HKAS 24 (revised 2009) revises the definition of a related party. As a result, the Group has re-assessed the identification of related parties and concluded that the revised definition does not have any material impact on the Group's related party disclosures in the current and previous periods. HKAS 24 (revised 2009) also introduces modified disclosure requirements for government-related entities. This does not impact the Group because the Group is not a government-related entity.

Improvements to HKFRSs (2010) omnibus standard introduces a number of amendments to the disclosure requirements in HKFRS 7, Financial instruments: Disclosures. The disclosures about the Group's financial instruments have been conformed to the amended disclosure requirements. These amendments do not have any material impact on the classification, recognition and measurements of the amounts recognised in the consolidated financial statements in the current and previous periods.

Up to the date of issue of these consolidated financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 March 2012 and which have not been adopted in the consolidated financial statements. Of these developments, the following relate to matters that may be relevant to the Group's operations and the consolidated financial statements:

	Effective for accounting periods beginning on or after
Amendments to HKFRS 7, Financial instruments: Disclosures — Transfers of financial assets	1 July 2011
Amendments to HKAS 1, Presentation of financial statements — Presentation of items of other comprehensive income	1 July 2012
Amendments to HKAS 12, Income taxes — Deferred tax: Recovery of underlying assets	1 January 2012
Annual improvements to HKFRSs 2009–2011 cycle	1 January 2013
HKFRS 9, Financial instruments	1 January 2015
HKFRS 10, Consolidated financial statements	1 January 2013
HKFRS 11, Joint arrangements	1 January 2013
HKFRS 12, Disclosure of interests in other entities	1 January 2013
HKFRS 13, Fair value measurement	1 January 2013
HKAS 27 (2011), Separate financial statements	1 January 2013
HKAS 28 (2011), Investments in associates and joint ventures	1 January 2013
HKAS 19 (2011), Employee benefits	1 January 2013

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

(d) Prior year's adjustments

As at 31 March 2010, the Company held 49.9% equity in an associate, Greek Mythology (Macau) Entertainment Group Corporation Limited ("Greek Mythology"). During the year ended 31 March 2011, the Company was informed that the capitalisation of a shareholder's loan owed by Greek Mythology to one of its shareholders, other than the Company, by issuing new shares in Greek Mythology to that shareholder (the "Capitalisation") had been completed toward the end of the calendar year 2010. Consequently, the Company's equity interest in Greek Mythology was diluted from 49.9% to 24.8%. Despite this Capitalisation, the board of Directors of the Company, with advice from professional legal advisers, was of the view that the Company held 49.9% equity interest in Greek Mythology throughout the year ended 31 March 2011 and continued to adopt 49.9% to account for the Group's interest in Greek Mythology under the equity method as set out in note 2(d) in the consolidated financial statements for the year ended 31 March 2011. However, the previous auditors of the Company considered that the Group should apply 24.8% to account for its interest in Greek Mythology following the completion of the Capitalisation and any profit or loss on dilution of the Group's interest in

Greek Mythology from 49.9% to 24.8% should be recognised in the consolidated financial statements for the year ended 31 March 2011, and qualified their opinion in the auditor's report dated 30 June 2011 on the consolidated financial statements for the year ended 31 March 2011.

On 16 March 2012, the Company, Greek Mythology and the other shareholders of Greek Mythology entered into an agreement to settle the controversy over the views held differently by the Company and Greek Mythology regarding the Capitalisation. Under this agreement, the Company confirmed and acknowledged that the Capitalisation is legal and valid and that immediately after the completion of the Capitalisation on 8 November 2010, the Company's equity interest in Greek Mythology has been reduced to 24.8%. In light of this agreement, the Directors are of the opinion that the Group's interest in Greek Mythology should be accounted for under equity method using 24.8% from the date of the completion of the Capitalisation and the loss on dilution of the Group's interest in Greek Mythology should also be recognised in the year ended 31 March 2011. Accordingly, prior year figures in the consolidated financial statements in relation to interests in associates, accumulated losses and share of profit of associates have been restated. In addition, the loss on dilution of interest in an associate, previously not recognised, have also been restated.

The following tables disclose the restatements that have been made in order to reflect the dilution of the Group's interests in Greek Mythology from 49.9% to 24.8% after the completion of the Capitalisation on 8 November 2010 to each of the line items in the consolidated income statement, consolidated statement of financial position and the Company's statement of financial position as previously reported for the year ended 31 March 2011. These restatements were determined by the Group based on unaudited management accounts of Greek Mythology for the periods from 1 April 2010 to 7 November 2010 and from 8 November 2010 to 31 March 2011. No restatements to the consolidated statement of financial position and the Company's statement of financial position as at 1 April 2010 are necessary as the Capitalisation was effected on 8 November 2010.

Consolidated income statement for the year ended 31 March 2011

The Group	2011 (as previously reported) *HK$'000*	Effect of prior year's adjustments *HK$'000*	2011 (as restated) *HK$'000*
Turnover	4,860	—	4,860
Other income	43,913	—	43,913
Selling and distribution expenses	(883)	—	(883)
General and administrative expenses	(24,062)	—	(24,062)
Fair value gain on investment properties	610	—	610
Impairment of available-for-sale financial asset	(90,924)	—	(90,924)
Loss on dilution of equity interest in an associate	—	(224,424)	(224,424)
Reversal of impairment of intangible assets	11,499	—	11,499
Reversal of impairment of other receivables	2,000	—	2,000
Share of profit of associates	1,230,226	(386,219)	844,007
Finance costs	(11,262)	—	(11,262)
Profit before taxation	1,165,977	(610,643)	555,334
Income tax	—	—	—
Profit for the year	1,165,977	(610,643)	555,334
Attributable to:			
Owners of the Company	1,165,977	(610,643)	555,334
Non-controlling interests	—	—	—
	1,165,977	(610,643)	555,334
Earnings per share	*HK Cents*	*HK Cents*	*HK Cents*
— basic	30.16	(15.80)	14.36
— diluted	30.10	(15.77)	14.33

Consolidated statement of financial position as at 31 March 2011

The Group	31 March 2011 (as previously reported) *HK$'000*	Effect of prior year's adjustments *HK$'000*	31 March 2011 (as restated) *HK$'000*
Non-current assets			
Property, plant and equipment	1,661	—	1,661
Investment properties	4,140	—	4,140
Intangible assets	18,410	—	18,410
Goodwill	18,309	—	18,309
Interests in associates	1,563,976	(610,643)	953,333
Other financial assets	30,936	—	30,936
	1,637,432	(610,643)	1,026,789
Current assets			
Trade and other receivables	79,231	—	79,231
Cash and cash equivalents	32,026	—	32,026
	111,257	—	111,257
Current liabilities			
Trade and other payables	(106,431)	—	(106,431)
Net current assets	4,826	—	4,826
Total assets less current liabilities	1,642,258	(610,643)	1,031,615
Non-current liabilities			
Promissory notes	(135,568)	—	(135,568)
NET ASSETS	1,506,690	(610,643)	896,047
CAPITAL AND RESERVE			
Share capital	41,527	—	41,527
Reserves	1,465,163	(610,643)	854,520
Total equity attributable to owners of the Company	1,506,690	(610,643)	896,047
Non-controlling interests	—	—	—
TOTAL EQUITY	1,506,690	(610,643)	896,047

2. SEGMENT INFORMATION

The executive directors manage the Group's operations as a single business segment. The Group's operations are monitored and strategic decisions are made on the basis of operating results, consolidated assets and liabilities as reflected in the Group's consolidated financial statements.

(a) Geographical information

The Group's revenue from external customers by geographical market is as follows:

	2012	2011
	HK$'000	*HK$'000*
Macau	**4,800**	4,860
PRC	**121**	—
	4,921	4,860

The Group's information about its non-current assets by geographic location is as follows:

	2012	2011
	HK$'000	*HK$'000*
		(restated)
Macau	**1,207,574**	969,149
PRC	**1,029**	20,903
Hong Kong	**5,304**	5,801
	1,213,907	995,853

(b) Major customers

Revenue of HK$4,800,000 (2011: HK$2,400,000) was received from Greek Mythology for the year ended 31 March 2012. No other customer accounted for 10% or more of the total revenue.

3. TURNOVER AND OTHER INCOME

The Group is principally engaged in investments in gaming and entertainment related business.

Turnover comprises the following:

	2012	2011
	HK$'000	*HK$'000*
Income from investments in certain gaming tables and slot machines operations in Greek Mythology Casino in Macau		
— Share of net gaming wins	**—**	2,460
— Fixed monthly income	**4,800**	2,400
Commission income on provision of services to Guangxi Public Welfare Lottery Issue Centre	**121**	—
	4,921	4,860

No income was derived from the Group's investment in the junket related operation of AMA International Limited ("AMA") during each of the years ended 31 March 2012 and 2011 as AMA did not have distributable profits during these periods.

Other income

	2012	2011
	HK$'000	*HK$'000*
Interest income from banks	**2**	—
Interest income from loans to holders of promissory notes	**—**	1,374
Gain on off-setting promissory notes payable to against loans receivable from holders of promissory notes	**—**	42,317
Gross rental income from investment properties	**228**	221
Sundry income	**32**	1
	262	43,913

4. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	2012	2011
	HK$'000	*HK$'000*
(a) Staff costs (including directors' emoluments):		
Salaries, allowances and other benefits	**10,776**	10,635
Contributions to define contribution retirement plans	**198**	174
Equity-settled share-based payment expenses	**—**	1,096
	10,974	11,905
(b) Other items:		
Amortisation of intangible assets	**2,045**	767
Auditor's remuneration	**830**	800
Depreciation of property, plant and equipment	**1,067**	1,546
Loss on disposal of property, plant and equipment	**—**	1
Net exchange losses	**78**	—
Operating lease charges in respect of premises:		
— minimum lease payments	**1,361**	2,592

5. FINANCE COSTS

	2012	2011
	HK$'000	*HK$'000*
Interest on borrowings wholly repayable within five years	**—**	113
Interest on promissory notes	**9,489**	11,149
	9,489	11,262

6. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

Pursuant to the rules and regulations of Bermuda and the British Virgin Islands ("BVI"), the Group is not subject to any income tax in Bermuda and BVI.

No provision for Hong Kong Profits Tax, Macau Complementary Income Tax and People's Republic of China ("PRC") Enterprise Income Tax has been made (2011: HK$Nil) as the companies in the Group have no assessable profits for the year in the relevant tax jurisdictions.

Reconciliation between tax expense and accounting profit at applicable tax rates is set out below:

	2012 *HK$'000*	2011 *HK$'000* (restated)
Profit before taxation	**161,092**	555,334
Notional tax on profit before taxation, calculated at the rates applicable to profit in the tax jurisdictions concerned	**26,253**	91,630
Tax effect of non-deductible expenses	**14,278**	57,429
Tax effect of non-taxable income	**(40,531)**	(149,059)
Actual tax expenses	**—**	—

The Group did not recognise deferred tax assets in respect of cumulative tax losses of approximately HK$5,435,000 (2011: HK$567,000) as at 31 March 2012 as it is not probable that future taxable profits, against which the losses can be utilised, will be available in the relevant tax jurisdiction and entity. Of the total tax losses, approximately HK$4,868,000 (2011: HK$Nil) will expire within 5 years and the remaining tax losses approximately HK$567,000 (2011: HK$567,000) have no expiry date under the current tax legislation.

7. DIVIDENDS

The directors do not recommend the payment of any dividend for both years.

8. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to owners of the Company of HK$162,251,000 (2011: HK$555,334,000 (restated)) and the weighted average number of 4,152,656,000 (2011: 3,866,180,000) ordinary shares in issue during the year.

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to owners of the Company of HK$162,251,000 (2011: HK$555,334,000 (restated)) and the diluted weighted average number of 4,152,656,000 (2011: 3,874,045,000) ordinary shares.

9. TRADE AND OTHER RECEIVABLES

	31.3.2012	31.3.2011	1.4.2010
	HK$'000	*HK$'000*	*HK$'000*
Trade receivables	—	2,500	30,000
Other receivables	**63,340**	—	113,636
Due from an associate	**3,037**	75,077	4,768
Rental and other deposits	**774**	393	1,203
Prepayments	**705**	1,261	10
	67,856	79,231	149,617

Other than rental and other deposits, all of the trade and other receivables are expected to be recovered or recognised as expenses within one year.

Trade receivables relate to the transfer of the profits of AMA to the Group in respect of the periods prior to 1 April 2009 and have been overdue for over 2 years (2011: overdue for over 1 year). Due to the financial difficulties and poor operating results of AMA, an impairment loss of HK$468,294,000 was recognised in the year ended 31 March 2010. The Group does not hold any collateral over the balances.

During the year, an amount of HK$2,500,000 was received from AMA.

10. TRADE AND OTHER PAYABLES

	31.3.2012	31.3.2011	1.4.2010
	HK$'000	*HK$'000*	*HK$'000*
Trade payables	**894**	853	853
Accruals and other payables	**103,678**	104,002	104,086
Due to related companies	**1,576**	1,576	3,109
Financial liabilities measured at amortised cost	**106,148**	106,431	108,048

All of the trade and other payables are expected to be settled within one year or payable on demand.

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

	2012	2011
	HK$'000	*HK$'000*
Less than 1 year past due	**41**	—
Over 1 year past due	**853**	853
	894	853

EXTRACT OF INDEPENDENT AUDITOR'S REPORT ON THE COMPANY'S CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Basis for disclaimer of opinion

(1) Opening balances and comparative figures

The previous auditors explained, inter alia, in their auditor's report dated 30 June 2011 on the consolidated financial statements for the year ended 31 March 2011 that they were unable to obtain sufficient appropriate audit evidence to satisfy themselves as to whether:

(a) the balances as at 1 April 2010 and the comparative figures were fairly stated in the consolidated financial statements for the year ended 31 March 2011;

(b) the impairment loss of HK$2,064,332,000 as determined by the directors of the Company against the available-for-sale financial asset, and in consequence the carrying amount of the available-for-sale financial asset of HK$30,936,000 as at 31 March 2011 were fairly stated; and

(c) the share of profit, reversal of previous impairment loss and the carrying amount of interest in an associate as at 31 March 2011 were properly accounted for.

Against this background, we were not able to satisfy ourselves as to whether the net assets (as restated) of the Group and the Company as at 1 April 2011 were free from material misstatement. Any adjustments to the opening net assets (as restated) of the Group and of the Company as at 1 April 2011 would affect the Group's profit and cash flows for the year ended 31 March 2012 and the related disclosures in the consolidated financial statements. In addition, the comparative figures shown in the consolidated financial statements for the year ended 31 March 2012 may not be comparable with the figures for the current year.

(2) Prior year's adjustments

As set out in note 4 to the consolidated financial statements, prior year's adjustments have been made by the Group to account for a dilution of its equity interest in an associate, Greek Mythology (Macau) Entertainment Group Corporation Limited ("Greek Mythology") from 49.9% to 24.8% which was effective on 8 November 2010. These prior year's adjustments were determined by the Group based on unaudited management accounts of Greek Mythology for the periods from 1 April 2010 to 7 November 2010 and from 8 November 2010 to 31 March 2011 (the "Periods") adjusted by the Group to account for an intangible asset of Greek Mythology. The effects of these prior year's adjustments on the consolidated financial statements for the year ended 31 March 2011 are summarised as follows:

(a) recognition of a loss on dilution of the Group's equity interest in an associate of HK$224,424,000 in profit and loss;

(b) a decrease in the Group's share of profit of associates of HK$386,219,000;

(c) a decrease in the Group's and the Company's interests in associates as at 31 March 2011 of HK$610,643,000; and

(d) a decrease in the Group's and the Company's net assets as at 31 March 2011 of HK$610,643,000.

As a consequence of the circumstances described in paragraph (1) and the audited financial statements of Greek Mythology for the Periods not being available to date, and that there were no other satisfactory audit procedures that we could adopt, we were unable to determine whether the prior year's adjustments set out in note 4 to the consolidated financial statements are free from any material misstatement and whether any adjustments to these amounts are necessary.

(3) Interest in associate and share of profit of an associate

As explained in note 20 to the consolidated financial statements, the interest in an associate, Greek Mythology, and the share of profit of that associate were accounted for based on unaudited management accounts of Greek Mythology for the year ended 31 March 2012 adjusted by the Group to account for an intangible asset of Greek Mythology. As a result of the audited financial statements of Greek Mythology for the year ended 31 March 2012 not being available to date and that there were no other satisfactory audit procedures that we could adopt, we were not able to obtain sufficient appropriate audit evidence in relation to the carrying amount of the Group's and the Company's interest in Greek Mythology of HK$1,191,209,000 as at 31 March 2012 and the Group's share of profit of HK$240,471,000 relating to Greek Mythology included in the consolidated income statement for the year then ended, and the summary financial information of the associate set out in note 20 to the consolidated financial statements. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Disclaimer of opinion

Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the consolidated financial statements and as to whether the consolidated financial statements have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Emphasis of matters

Without further qualifying our opinion, we draw attention to the consolidated financial statements which states that the Group's current liabilities exceeded its current assets by HK$9,858,000 as at 31 March 2012. This condition indicates the existence of an uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

Prospects & Outlook

Looking ahead, China's growing economy will continue to drive the growth in Macau, and the Group is poised to capitalise on the opportunities. Leveraging on its steady growth over the past years, the Group will continue to focus on its gaming business in Asia while seeking to expand its tourism-related businesses. The Group believes that the future of Macau and Asia looks bright and will strive to take opportunities presented by the growth in the region. In addition to its existing business in Macau, the Group is considering expanding or investing in other gaming related businesses in Asia.

The gaming industry in Macau is likely to remain strong. According to the Macau's Gaming Inspection and Coordination Bureau, gambling revenue in Macau surged 42% year-on-year to HK$41.2 billion in 2011. With the favourable policy and regulatory measures in Macau, the support from the Chinese government, the increasing number of tourist visits and improved infrastructure in Macau, we believe the outlook for Macau in 2012 remains highly promising.

According to Macau's tourism office, Macau's tourist arrivals led by visitors from Mainland China, are expected to increase at least approximately 10% this year from 28 million in 2011. An increase in the visitor traffic will undoubtedly be a boost to Macau's tourism industry, and it is expected that the number of hotel rooms in the city will increase to about 50,000 in five years, based on the number of projects currently in the pipeline.

Visitors from Asia accounted for 97% of all visitors to Macau in 2012, with visitors from Mainland China accounting for about 60% of the total number of visitors. These visitors are expected to continue to be the vast majority as visits from Europe will grow more slowly than the average due to the economic woes in the region. Figures also highlight the attraction of Macau as a first-class destination in Asia.

Gaming companies are starting to invest in resorts that combine shopping centers, entertainment shows and hotel rooms to attract more visitors. Casino operators predict that Macau will become the Asian equivalent of Las Vegas. In view of this, the Group will seek to diversify its revenue streams in order to maximise returns for shareholders.

Leveraging on its expertise and insight into the Asia market from years of experience, Amax will capitalise on its remarkable results and take the exciting opportunities ahead.

Financial Review

During the year under review, the Group's investment was primarily in Macau's gaming and entertainment industry, including the equity investment in Greek Mythology and VIP gaming related businesses and slot machine business. The Group also owned some retail shops as investment properties.

- The Group's profit during the financial year under review amounted to approximately HK$161.1 million, compared to the restated amount of approximately HK$555.3 million for the same period last year; representing a decrease of approximately HK$394.2 million or approximately 71%. The decrease in profit was mainly attributed to the decrease in the Company's share of profit of Greek Mythology, an associate of the Company by reason of the reduction of the Company's shareholding in Greek Mythology as a result of a shareholder's loan capitalisation of the Associate, the details of which have been announced by the Company in its announcements dated 16 March 2012, 27 February 2012, 7 February 2012 and the circular of the Company dated 9 February 2012.

- Net assets of the Group as at 31 March 2012 amounted to approximately HK$1.06 billion, compared to the restated amount of approximately HK896 million over the same period last year, representing an increase of approximately HK$163 million, or approximately 18.2%.

- The Group's share of profit of from the associates was approximately HK$238.4 million, as compared to the restated amount of approximately HK$844 million for the same period last year.

- Earnings per share of the Group were approximately HK$0.04 as at 31 March 2012, representing a decrease of approximately HK$0.1, or approximately 71.4% over the same period last year.

- Turnover for the Group was approximately HK$4.92 million compared to approximately HK$4.86 million in 2011.

Business Overview

Greek Mythology Casino

The Group owns a 24.8% equity stake in Greek Mythology, which has approximately 60 VIP gaming rooms, and a gaming floor targeting the mid-range to high-end market. During the year under review, the Group's share of profit in Greek Mythology was approximately HK$240 million (2011 restated: approximately HK$844 million).

Greek Mythology underwent major changes including the renovation of three gaming floors and the shift of its target from the mass market to the VIP market in mainland China. These changes resulted in solid financial results during the past year. We expect a steady growth in the future.

The Group's interest in Greek Mythology, the Group's associate, as at 31 March 2012 was approximately HK$1.19 billion as compared to the restated amount of approximately HK$951 million for the same period last year, an increase of approximately 25.1% and approximately HK$239 million.

During the year under review, the Board resolved to establish and has constituted an independent board committee comprising all the independent non-executive directors of the Company (the ''Independent Board Committee'' or "IBC") to conduct investigations into the matters relating to the Capitalisation.

As mentioned in the announcement of the Company dated 7 February 2012, the Board has prepared an agreement regarding the Capitalisation of Greek Mythology. After various discussions between the Board and representatives of Greek Mythology, it has been agreed in principle that an agreement shall be entered into between the Company, Greek Mythology and other existing shareholders of Greek Mythology ("Parties") in order to settle the dispute arising from different views held by the Company and by Greek Mythology regarding the dilution of the Company's shareholding in Greek Mythology as a result of the Capitalisation. The agreement provides that the Parties shall confirm and acknowledge that the Capitalisation is legal and valid, the Company's shareholding in Greek Mythology has been reduced to 24.8% immediately after completion of the Capitalisation on 8 November 2010. If the proposed listing of Greek Mythology through its holding company is not completed within 24 months from the date of execution of such agreement (the "Term Date") or if Greek Mythology becomes the wholly-owned subsidiary of Greek Mythology Holdings Limited ("GM Holdings") on the Term Date through a corporate reorganisation for the purpose of the proposed listing of Greek Mythology through GM Holdings, appropriate measures will be taken to restore the Company's shareholding in Greek Mythology back to approximately 49.9%.

The Company, Greek Mythology and other existing shareholders of Greek Mythology entered into the agreement in respect of the Capitalisation on 16 March 2012, which was approved by the shareholders of the Company at the Special General Meeting of the Company held on 27 February 2012.

LE-Guangxi

Through LE Rainbow China Ltd ("LE-China"), a wholly owned subsidiary, the Group increased its beneficial equity interests in Nanning Inter-Joy LOTTO Information Service Co. Ltd. ("LE-Guangxi") from 60% to 70% in 2011. During the year under review, the board of directors of LE-Guangxi had undertaken a restructuring exercise by increasing the number of directors from three to five. After the restructuring of the board of directors at LE-Guangxi, the financial results of LE-Guangxi was consolidated in the consolidated financial statements of the Group with effect from 30 May 2011.

Investment in VIP Gaming Related Operation and Other Gaming Related Business

The Group, through certain subsidiaries, has invested in the VIP gaming businesses and the operation of electronic slot machine in Macau.

For the financial year ended 31 March 2012, the Group's key investment was the gaming related business in Macau. Other investments included slot machines and 5 VIP gaming tables in Macau. Moreover, the Group owned some retail shops as investment properties.

During the year under review, the Group recorded revenue of approximately HK$4.8 million from these operations compared to approximately HK$4.86 million for the same period last year.

Other Financial Items

Consolidated Income Statement

- The Group's selling and distribution expenses amounted to approximately HK$1.99 million in 2012, compared to approximately HK$883,000 for the same period in 2011, representing approximately 125.3% increase in expenses. This was primarily due to the increase of selling expenses in LE-Guangxi.
- General administrative expenses were approximately HK$23.5 million in 2012, as compared to approximately HK$24.1 million for the same period in 2011, representing a decrease of approximately 2.5%.
- Finance costs of the Group decreased to approximately HK$9.5 million in 2012, as compared to approximately HK$11.3 million for the same period in 2011, representing a decrease of approximately 15.9%.

Consolidated Statement of Financial Position

- Value of investment properties owned by the Group was approximately HK$4.42 million as at 31 March 2012, compared to approximately HK$4.14 million for the same period in 2011, representing an increase of approximately 6.8% due to favorable revaluation.
- Trade and other receivables as at 31 March 2012 were approximately HK$67.9 million (31 March 2011: approximately HK$79.2 million).
- Cash and cash equivalents as at 31 March 2012 were approximately HK$28.4 million, compared to approximately HK$32 million at the same time in 2011, representing a decrease of approximately HK$3.6 million and 11.3%.
- Trade and other payables as at 31 March 2012 were approximately HK$106.1 million (31 March 2011: approximately HK$106.4 million).
- Promissary notes as at 31 March 2012 were HK$145.1 million (31 March 2011: HK$135.6 million). The Group had no other Borrowings as at 31 March 2012.

Final Dividend

The board of Directors of the Company does not recommend the payment of a final dividend as at 31 March 2012. There was no interim dividend payment during the financial year.

Liquidity and Financial Resources

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

As at 31 March 2012, the Group had total assets and net assets of approximately HK$1,310 million (2011 restated: HK$1,138 million) and HK$1,059 million (2011 restated: HK$896 million), comprising non-current assets of approximately HK$1,214 million (2011 restated: approximately HK$1,027 million) and current assets of approximately HK$96 million (2011 restated: approximately HK$111 million) which were financed by shareholders' funds of approximately HK$1,059 million (2011 restated: HK$896 million). Non-controlling interests of approximately HK$0.55 million (2011: HK$Nil), current liabilities of approximately HK$106 million (2011 restated: approximately HK$106 million) and non-current liabilities of approximately HK$145 million (2011 restated: approximately HK$136 million).

As at 31 March 2012, the Group's gearing ratio, calculated as a ratio of debt to shareholders' equity, remained at a low level at approximately 21% (2011 restated: 23%). As at 31 March 2012, the Group recorded a net cash outflow of approximately HK$4 million (2011: inflow of approximately HK$15 million). As at 31 March 2012, the Group had cash and cash equivalents of approximately HK$28 million (2011: approximately HK$32 million). The Group considers that it has sufficient financial resources to meet operation and development requirements in the foreseeable future.

Foreign Exchange and Currency Risks

It is the Group's policy for its operating entities to operate in their corresponding local currencies to minimise currency risks. The principal businesses of the Group are conducted and recorded in Hong Kong dollars, Renminbi 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 2012, the Group had a total of 13 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 were determined by reference to their duties, work experience, performance and prevailing market practices. The Group also participates in the Mandatory Provident Fund scheme in Hong Kong and similar scheme for eligible employees in Macau, and provides employees with medical insurance coverage. A share option scheme is in place to reward individual employees for their outstanding performance and contribution to the success of the Group.

Contingent Liabilities

The Group and the Company had no significant contingent liabilities as at 31 March 2012.

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.

CORPORATE GOVERNANCE

The Company has applied the Principles and the Code Provisions as set out in the Corporate Governance Code ("CG Code") and complied with all the Code Provisions throughout the year ended 31 March 2012 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.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.

Code Provision B.1.1 provides a majority of the remuneration committee should be Independent Non-executive Directors.

Since the retirement of Mr. Fang Ang Zhen, a former Independent Non-executive Director at the Annual General Meeting on 28 September 2011, only one Executive Director and one Independent Non-executive Director remained in the remuneration committee. On 30 September 2011, Mr. Yoshida Tsuyoshi, an Independent Non-executive Director, was appointed as a member of the remuneration committee to fill the vacancy. No resolution was made in relation to remuneration of directors and officers during such period.

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 of Directors in providing effective leadership and direction to the Company's business, and ensuring transparency and accountability of the Company's operations.

Audit Committee

As at 31 March 2012, the audit committee of the Company comprises four 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.

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

Remuneration Committee

As at 31 March 2012, 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.

Nomination Committee

As at 31 March 2012, the Nomination Committee comprises four Independent Non-executive Directors. The Nomination Committee was established with specific written terms of reference, and is mainly responsible for nominating potential candidates for directorship, reviewing the nomination and resignation of directors, assessing the independence of Independent Non-executive Directors and making recommendations to the Board on such appointments.

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 2012.

For and on behalf of the Board
Amax Holdings Limited
Deng Xiaomei
Chairwoman

Hong Kong, 29 June 2012

As at the date of this announcement, the Board of Directors comprises Mr. Cheung Nam Chung, Ms. Li Wing Sze, Mr. Lau Dicky, Mr. Ng Chi Keung and Mr. Lei Kam Chao being the Executive Directors, and Ms. Deng Xiaomei, Mr. Cheng Kai Tai, Allen, Mr. Yoshida Tsuyoshi and Dr. Dingjie Wu being the Independent Non-executive Directors.