AMAX Holdings Limited

(Incorporated in Bermuda with limited liability)
(stock code: 959)

2012 ANNUAL REPORT

Contents

Corporate Information

BOARD OF DIRECTORS

Executive

Ms. Li Wing Sze
Mr. Lau, Dicky
Mr. Ng Chi Keung
Mr. Cheung Nam Chung (Appointed on 18 July 2011)
Mr. Lei Kam Chao (Appointed on 25 June 2012)

Independent Non-executive

Mr. Cheng Kai Tai, Allen
Ms. Deng Xiaomei
Mr. Yoshida Tsuyoshi
Dr. Wu Dingjie
Mr. Fang Ang Zhen (Retired on 28 September 2011)

COMPANY SECRETARY

Mr. Ng Chi Keung

AUDITOR

Baker Tilly Hong Kong Limited

LEGAL ADVISERS

King & Wood Mallesons
Michael Li & Co.

CORPORATE GOVERNANCE & ADVISORY CONSULTANT

Wardell & Associates Ltd.

STOCK CODE

959

BRANCH SHARE REGISTRAR

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

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

1503–05A, 15/F., Tower 6,
China Hong Kong City,
33 Canton Road,
Tsim Sha Tsui, Kowloon,
Hong Kong

Chairperson's Statement

Dear Shareholders,

On behalf of the board of directors of Amax Holdings Limited (the "Company"), I am pleased to present the audited annual results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2012 ("the year under review").

The Group saw a year of persisting challenges. Uncertainties in global economic recovery added pressure to the operating environment and affected the Company's business growth. In response to such challenging conditions, the Group took a cautious approach to maintaining the steady development of its businesses and taking expansion opportunities during the period under review with its core investment in VIP gaming related business and the slot machine business in Macau.

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 to conduct investigations into the Capitalisation (as defined in the announcement of the Company dated 7 February 2012) matters, and the Group evaluated the effectiveness of different ways of protecting the interests of the Company in the Group's associate, Greek Mythology (Macau) Entertainment Group Corporation Limited ("Greek Mythology") and reached an agreement with Greek Mythology on 16 March 2012. On 24 October 2011, the Board appointed Mr. Cheung Nam Chung as the Chief Executive Officer of the Company. Mr. Cheung had been the Company's Executive Director and Chairman since September 2006 until he left the position in September 2010. We are confident that Mr. Cheung's experience and knowledge of the Group will facilitate the Company's expansion of our investment in gaming and other related business.

The gaming industry in Macau remains strong and positive, which bodes well for the profitability of existing casino operators. According to Macau's Gaming Inspection and Coordination Bureau, casinos in Macau generated approximately HK$261 billion in gaming revenue during the year ended 31 December 2011, an increase of approximately 42.2% as compared to the corresponding period last year. With the favorable policies and regulatory systems of the Macau and Chinese Government, increasing number of visitors and improved infrastructure in Macau, we believe the gaming business in Macau will remain promising in the coming years.

In addition to the existing business in Macau, the Group is considering expanding or investing in other businesses to fully capitalise on future opportunities. Gaming companies are starting to combine shopping centers, entertainment shows and luxury hotel rooms to attract more visitors. In this light, the Group will seek to diversify revenue streams in order to maximise returns for shareholders.

I would like to take this opportunity to extend my cordial gratitude to our management team and staff for their hard work and dedication over the years. My thanks also goes to my fellow Directors, our business partners, customers, banks and shareholders for their continuous support and trust during the year under review. The Group will continue to work with the management team, staff and other stakeholders to overcome all difficulties and create maximum value for our shareholders.

Deng Xiaomei
Chairperson
29 June 2012

Chief Executive Officer's Statement

Dear Shareholders,

The global recession affecting economies around the world in 2011 resulted in a challenging environment for the investment projects of Amax Holdings Limited (the "Company") and its subsidiaries (the "Group"). Nevertheless, statistics show that Macau remains the largest gaming market in the world, with gaming revenue more than five times the estimates for other markets like the Las Vegas Strip and Singapore last year, and that Macau expected to see up to ten new casinos in the next decade.

As one of the leaders in the gaming investment segment in Macau, we are poised to benefit from this growth with our clear and precise investment approach. We will continue to keep a close watch on the development of Macau's gaming industry and the Group's investment in the industry.

The Group invests in the VIP gaming business, and operation of electronic slot machines in Macau. The high rolling gaming table and slot machine business in Macau continued to be bolstered by the rapid growth in Macau's gaming market. Furthermore, with the completed renovation of the Greek Mythology Casino, operated by the Group's associate Greek Mythology (Macau) Entertainment Group Corporation Limited, the Group's casino business shifted its focus from the mass market to mid-to-high end and VIP consumers in Mainland China, and is expected to maintain its growth in 2012 and beyond.

The Company is cautiously optimistic about its future prospects and will continue to strive to diversify its business into the entertainment sector in Asia. Statistics and Census Service of Macau announced that the total visitor arrivals in Macau increased over 12% to a new record high in the past year while the number of visits from Mainland China grew more than 22% to around 16.2 million. The growth bodes well for our liquidity and financial position despite adverse operating conditions. With strong growth and great business opportunities in the high-end leisure and entertainment segment in China, we are confident that the Company will continue to improve its performance and record strong growth in the years ahead.

We would like to express our gratitude to the shareholders who have supported us all along. We will strive to maximise our value for them with relentless efforts and create a successful future together.

Cheung Nam Chung
Chief Executive Officer
29 June 2012

The board (the "Board") of directors (the "Directors") of Amax Holdings Limited (the "Company") is pleased to report the audited consolidated annual results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2012 ("the year under review"). The audited annual results have been reviewed by the Audit Committee of the Company.

BUSINESS OVERVIEW

Greek Mythology Casino

The Group owns a 24.8% equity stake in Greek Mythology (Macau) Entertainment Group Corporation Limited ("Greek Mythology"), which operates the Greek Mythology Casino and 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 Casino 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 year under review. We also 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% or 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 defined in the announcement of the Company dated 7 February 2012).

As mentioned in the announcement of the Company dated 7 February 2012, 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 controversy over the views held differently by the Company and by Greek Mythology regarding the dilution in the Company's shareholding in Greek Mythology as a result of the Capitalisation. The agreement provides that (i) the Parties shall confirm and acknowledge that the Capitalisation is legal and valid and that the Company's shareholding in Greek Mythology has been reduced to 24.8% immediately after completion of the Capitalisation on 8 November 2010; and (ii) 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, appropriate measures shall be taken to restore the Company's shareholding in Greek Mythology back to approximately 49.9%.

As mentioned in the announcement of the Company dated 16 March 2012, the Company, Greek Mythology and other existing shareholders of Greek Mythology entered into the agreement with the aforesaid terms 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 of the Company, the Group increased its beneficial equity interests in Nanning Inter-Joy LOTTO Information Service Co. Ltd. ("LE-Guangxi") from 60% to 70% on 30 May 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 out of which three are nominated by the Company. The financial results of LE-Guangxi have been consolidated into 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 machines 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$4.9 million for the same period last year.

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 machines 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 the Capitalisation, 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 HK$896 million for the same period last year, representing an increase of approximately HK$163 million, or approximately 18.2%. There had not been any charges on the Group's assets during the year under review.

- The Group's share of profit of the associates was approximately HK$238.4 million for the financial year under review compared to the restated amount of approximately HK$844 million for the same period last year, representing a decrease of approximately HK$605.6 million or approximately 71.8%.

- Earnings per share of the Group were approximately HK$0.04 as at 31 March 2012, compared to HK$0.14 as at 31 March 2011 representing a decrease of approximately HK$0.1, or approximately 71.4%.

- Turnover for the Group for the financial year under review was approximately HK$4.92 million, compared to approximately HK$4.86 million for the same period last year.

- Other financial assets of the Group as at 31 March 2012 was nil, compared to the restated amount of approximately HK$30.9 million for the corresponding period of last year. As there were no share of profits and loan repayments from AMA International Limited ("AMA") during the year ended 31 March 2012, the management considered that the available-for-sale financial asset had been fully impaired as at 31 March 2012, and a further impairment loss of approximately HK$30.9 million was recognised in profit or loss for the year ended 31 March 2012.

  In June 2011, the management of the Company has appointed Wardell & Associates Ltd. ("W&A") to perform financial monitoring services on AMA. During the year under review, the management of the Company conducted meeting with W&A to consider possible steps to recover the loan due from AMA to the Company. Subsequent to the meeting, W&A considered that it was necessary to conduct further meetings with the representatives of AMA in Macau to better understand the situation. Consequently, several meetings with the representatives of AMA in Macau were arranged. W&A had also attended the Board meeting of the Company to report the result of the meetings with the above parties to the Board members. A site visit was also arranged to the office of AMA so as to obtain accounting records and financial information of AMA to facilitate the work of recovery action. Besides, the Company has issued repayment demand letters to AMA and appointed a Macau lawyer to issue a legal demand letter to pursue the debts due from AMA.

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$261 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 Asian market from years of experience, Amax will capitalise on its remarkable results and take the exciting opportunities ahead.

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 as at 31 March 2011, representing an increase of approximately 6.8% due to favorable revaluation.

- Trade and other receivables of the Group as at 31 March 2012 were approximately HK$67.9 million as compared to approximately HK$79.2 million as at 31 March 2011.

- Cash and cash equivalents of the Group as at 31 March 2012 were approximately HK$28.4 million, compared to approximately HK$32 million as at 31 March 2011, representing a decrease of approximately HK$3.6 million and 11.3%.

- Trade and other payables of the Group as at 31 March 2012 were approximately HK$106.1 million as compared to approximately HK$106.4 million as at 31 March 2011.

- As at 31 March 2012, the Group owed HK$145.1 million in the form of promissory notes (with maturity date in 2016), as compared to HK$135.6 million as at 31 March 2011. The Group had no other borrowings as at 31 March 2012.

FINAL DIVIDEND

The board of Directors of the Company does not recommend payment of any final dividend for the year ended 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: approximately HK$1,138 million) and approximately HK$1,059 million (2011 restated: approximately HK$896 million) respectively, 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: approximately 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 (including promissory notes) to shareholders' equity, remained at a low level at approximately 21% (2011 restated: approximately 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 with 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 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 Report

The Group continues to commit itself to maintaining a high standard of corporate governance with an emphasis on enhancing transparency and accountability and ensuring the application of these principles within the Group and thereby, enhancing shareholder's value and benefiting our stakeholders at large. For the strengthening of corporate governance of the Company, Wardell & Associates Limited has been appointed to perform regular review on corporate governance system of the Company.

CODE ON CORPORATE GOVERNANCE PRACTICES

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

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

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

The Company has applied the Principles and the Code Provisions as set out in the Corporate Governance Code ("CG Code") and has 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 meetings 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, with effect from 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 between 28 September 2011 and 30 September 2011.

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.

THE BOARD

Responsibilities

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

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

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

Roles of Chairman and Chief Executive Officer

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

The Company fully supports the division of responsibility between the Chairman and the CEO. The current positions of the Chairman and the CEO of the Company are held by an Independent Non-executive Director namely, Ms. Deng Xiaomei and an Executive Director, namely Mr. Cheung Nam Chung respectively. Their respective responsibilities are clearly defined and set out in writing.

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

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

Composition

The composition of the Board reflects the necessary balance of skills and experience desirable for effective leadership of the Company and independence in decision making. As at 31 March 2012, the Board comprised four Executive Directors, and four Independent Non-executive Directors. The details of the Directors of the Company during the year ended 31 March 2012 and up to the date of this report are set out on pages 22 to 23.

During the year ended 31 March 2012, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least one Independent Non-executive Director possessing appropriate professional qualifications in accounting or related financial management expertise.

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

Appointment and Succession Planning of Directors

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

Board Meetings

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

The attendance of each Director at Board meetings during the year ended 31 March 2012 is as follows:

Directors		Attendance
Executive Directors		
Ms. Li Wing Sze		16/17
Mr. Lau Dicky		15/17
Mr. Ng Chi Keung		17/17
Mr. Cheung Nam Chung	(appointed on 18 July 2011)	9/9
Independent Non-executive Directors		
Mr. Cheng Kai Tai, Allen		16/17
Ms. Deng Xiaomei		6/17
Mr. Yoshida Tsuyoshi		16/17
Dr. Wu Dingjie		10/17
Mr. Fang Ang Zhen	(retired on 28 September 2011)	8/10

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

BOARD COMMITTEES

Three committees, namely, the audit committee, remuneration committee and nomination committee, were established under the Board to oversee their respective functions. The committees are allowed to obtain independent professional advice and service at the Company's expense.

Audit Committee

As at 31 March 2012, the Audit Committee comprises of 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. Mr. Cheng Kai Tai, Allen, who has substantial accounting experience, has been the chairman of the Audit Committee during the year ended 31 March 2012.

The main duties of the Audit Committee include the following:

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

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

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

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

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

— reviewed the resignation and appointment of the external auditors.

— recommended to the Board for the proposal for the re-appointment of Baker Tilly Hong Kong Limited as the auditor of the Company in the forthcoming annual general meeting of the Company.

Four audit committee meetings were held during the year ended 31 March 2012. The Composition of the Audit Committee and the respective attendance of each member are set out as follows:

Members		**Attendance**
Mr. Cheng Kai Tai, Allen		4/4
Mr. Fang Ang Zhen	(retired on 28 September 2011)	1/1
Mr. Yoshida Tsuyoshi		4/4
Dr. Wu Dingjie		3/4
Ms. Deng Xiaomei	(appointed on 30 September 2011)	0/3

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

Following the retirement of Mr. Fang Ang Zhen at the annual general meeting of the Company held on 28 September 2011, the Board appointed one more Independent Non-executive Director, namely Ms. Deng Xiaomei on 30 September 2011 to fill the vacancy of the member of the Audit Committee.

Remuneration Committee

As at 31 March 2012, the Remuneration Committee comprises of 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.

The main duties of the Remuneration Committee include the following:

(a) making recommendations to the Board on the remuneration packages of all executive Directors and senior management;

(b) making recommendations to the Board on the remuneration of non-executive directors;

(c) reviewing and approving the management's remuneration by reference to corporate goals and objectives;

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

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

Five remuneration committee meetings were held during the year ended 31 March 2012. The composition of the Remuneration Committee and the respective attendances of the members are presented as follows:

Members		**Attendance**
Mr. Lau Dicky		5/5
Mr. Cheng Kai Tai, Allen		5/5
Mr. Yoshida Tsuyoshi	(appointed on 30 September 2011)	2/2
Mr. Fang Ang Zhen	(retired on 28 September 2011)	3/3

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

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

Following the retirement of Mr. Fang Ang Zhen at the annual general meeting of the Company held on 28 September 2011, the Board appointed one more Independent Non-executive Director, namely Mr. Yoshida Tsuyoshi on 30 September 2011 to fill the vacancy of the member of the Remuneration Committee for compliance with the Code Provisions.

Nomination Committee

As at 31 March 2012, the Nomination Committee comprises of 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.

The main duties of the Nomination Committee include the following:

(a) To make recommendations to the Board on matters relating to the appointment, resignation and re-election of directors.

(b) To make recommendations to the Board on matters relating to the appointment and change of senior management and committee members.

(c) To conduct an annual review of the independence of the independent non-executive directors.

All new appointment of directors and nomination of directors proposed for re-election at the annual general meeting are first considered by the Nomination Committee. The recommendations of the Nomination Committee will then be put to the Board for decision. New directors appointed by the Board are subject to re-election by shareholders at the next following general meeting (in the case of filling a casual vacancy) or annual general meeting (in the case of an addition to the Board) pursuant to the Bye-laws of the Company. In considering the new appointment or nomination of directors proposed for re-election, the Nomination Committee will assess the candidate or incumbent on criteria such as integrity, independent mindedness, experience, skill and the ability to commit time and effort to carry out his duties and responsibilities effectively etc.

Three more Independent Non-executive Directors, namely Dr. Wu Dingjie, Mr. Yoshida Tsuyoshi and Ms. Deng Xiaomei were appointed as members of the Nomination Committee on 30 May 2011, and Mr. Lau Dicky ceased to be member of the Nomination Committee on 30 May 2011. Mr. Fang Ang Zhen retired as member of the Nomination Committee after the conclusion of the annual general meeting of the Company held on 28 September 2011.

Two Nomination Committee meetings were held during the year ended 31 March 2012. The composition of the Nomination Committee and the respective attendances of the members are presented as follows:

Members		**Attendance**
Mr. Cheng Kai Tai, Allen		2/2
Dr. Wu Dingjie	(appointed on 30 May 2011)	2/2
Mr. Yoshida Tsuyoshi	(appointed on 30 May 2011)	2/2
Ms. Deng Xiaomei	(appointed on 30 May 2011)	0/2
Mr. Lau Dicky	(ceased on 30 May 2011)	0/0
Mr. Fang Ang Zhen	(retired on 28 September 2011)	0/0

DIRECTORS' REMUNERATION

The remuneration paid to and/or entitled by each of the Directors for the financial year under review is set out in note 10 to the financial statement.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as the code of conduct for securities transactions by Directors and has adopted written guidelines no less exacting than the Model Code for application to senior management and designated persons who might have access to price sensitive information of the Group.

Following enquiries by the Company, all Directors confirm that they have complied with the Model Code for the year ended 31 March 2012.

AUDITOR'S REMUNERATION

During the year ended 31 March 2012, the fees paid to CCIF CPA Limited in respect of other non-audit services were approximately HK$230,000. The remuneration paid and payable to Baker Tilly Hong Kong Limited for provision of the Group's statutory audit and other non-audit services were approximately HK$550,000 and HK$50,000 respectively.

ACKNOWLEDGEMENT OF RESPONSIBILITY FOR FINANCIAL STATEMENT

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

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

The statement of the auditor of the Company about its reporting responsibilities on the consolidated financial statements is set out in the Independent Auditor's Report on pages 27 to 29.

REVIEW OF INTERNAL CONTROL

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

COMMUNICATION WITH SHAREHOLDERS

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

INVESTOR RELATIONS

There were no significant changes in the constitutional documents of the Company during the year ended 31 March 2012.

The Directors present their report and audited financial statements of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2012.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding. The principal activities of its subsidiaries during the year are set out in note 19 to the financial statements.

An analysis of the Group's performance for the year by business and geographical segments is set out in note 14 to the financial statements.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 March 2012 are set out in the consolidated income statement on page 30.

The Directors do not recommend the payment of any final dividends for the year ended 31 March 2012.

SUMMARY FINANCIAL INFORMATION

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 95.

NON-CURRENT ASSETS

Details of the movements of the non-current assets of the Group and the Company during the year are set out in note 15 to the financial statements.

SUBSIDIARIES

Details of the Company's subsidiaries as at 31 March 2012 are set out in note 19 to the financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Details of the movements in the Company's share capital during the year are set out in note 25 to the financial statements.

SHARE OPTIONS SCHEME

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

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

The maximum number of shares in respect of which options may be granted under the Share Option Scheme will not exceed 10% of the issued share capital of the Company and the maximum number of shares in respect of which options may be granted under all existing schemes will not exceed 30% of the maximum number of shares in issue from time to time. As at the date of this Annual Report, the total number of shares of the Company which may be allotted and issued upon the exercise of all options to be granted under the Share Option Scheme must not exceed 415,265,572 shares, representing 10% of the shares in issue as at 28 September 2011 the date of the annual general meeting approving the refreshment of the 10% limit on the grant of options.

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

Details of the movement of the Company's Share Option Scheme are set out in note 26 to the financial statements.

The particulars of the movement of the Company's share options during the year ended 31 March 2012 are as follows:

				No. of share options ('000)				
	Date of Grant	**Exercise period**	**Exercise price per share HK$**	**As at 1 April 2011**	**Granted during the year**	**Exercised during the year**	**Forfeited during the year**	**As at 31 March 2012**
Director								
Ms. Li Wing Sze	28/01/2008 (Note 1)	28/01/2008–27/01/2013	0.736	5,500	–	–	–	5,500
	23/04/2009	23/04/2010–22/04/2019	0.193	3,000	–	–	–	3,000
	12/05/2009	12/05/2010–11/05/2019	0.229	2,500	–	–	–	2,500
Mr. Cheng Kai Tai, Allen	12/05/2009	12/05/2010–11/05/2019	0.229	2,600	–	–	–	2,600
Mr. Fang Ang Zhen	12/05/2009	12/05/2010–11/05/2019	0.229	2,600	–	–	2,600	–
Eligible Employees	28/01/2008 (Note 1)	28/01/2008–27/01/2013	0.736	9,000	–	–	–	9,000
In aggregate				25,200	–	–	2,600	22,600

Notes:

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

Vesting Date	Exercise Periods	Number of Share Options	Number of share options lapsed during the year	Total Number of share options lapsed up to 31 March 2012
28 January 2008	28 January 2008 to 27 January 2009	16,160,000	–	10,360,000
28 January 2009	28 January 2009 to 27 January 2010	12,120,000	–	7,770,000
28 January 2010	28 January 2010 to 27 January 2013	12,120,000	–	7,770,000

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

RESERVES

Details of the movements in the reserves of the Group and the Company are set out in note 25 to the financial statements.

DISTRIBUTABLE RESERVES

As at 31 March 2012, in the opinion of the Directors of the Company, the reserves of the Company available for distribution to shareholders amounted to HK$618,887,000 (2011 restated: HK$485,640,000).

DIRECTORS

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

Executive Directors

Ms. Li Wing Sze
Mr. Lau, Dicky
Mr. Ng Chi Keung
Mr. Cheung Nam Chung (Appointed on 18 July 2011)
Mr. Lei Kam Chao (Appointed on 25 June 2012)

Independent Non-executive Directors

Mr. Cheng Kai Tai, Allen
Ms. Deng Xiaomei
Mr. Yoshida Tsuyoshi
Dr. Dingjie Wu
Mr. Fang Ang Zhen (retired on 28 September 2011)

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Ms. LI Wing Sze, aged 33, has over 10 years of experience in technologies and administrative management in Macau gaming industry. Being one of the few lady gaming executives in Macau, she has witnessed the change of gaming operational landscape during the last few years. Ms. Li is mainly responsible for overseeing of the local gaming operational matters of the Group.

Mr. LAU Dicky, aged 37, has been re-designated from Non-executive Director of the Company on 20 September 2010 and has been further appointed as a member of Remuneration Committee with effect from 12 May 2010. Mr. Lau studied Business Management at Bronx Community College, The City University of New York. Mr. Lau has worked in New Century Hotel ("New Century") since 1997. At present, he is the Executive Director of New Century.

Mr. NG Chi Keung, aged 47, is the Executive Director, Company Secretary and Chief Financial Officer of the Company. He is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants, a fellow member of the Chartered Association of Certified Accountants and an associate member of The Institute of Chartered Accountants in England and Wales. He holds a Master degree in Business Administration from the University of Manchester in the United Kingdom. Mr. Ng has over 20 years of experience in auditing, accounting and financial management.

Mr. CHEUNG Nam Chung, aged 67, has been appointed as the Executive Director and the Acting Chief Executive Officer of the Company on 18 July 2011 and 20 July 2011 respectively. Subsequently, he was re-designated as the Chief Executive Officer of the Company on 24 October 2011. He holds a diploma in Business Administration from The Chinese University of Hong Kong and a Master of Business Administration degree from the University of East Asia, Macau. Mr. Cheung held senior executive positions in a number of local and foreign banks and served as general manager in a listed property development/construction & finance consortium in the late 70's. He was the executive vice president of SBS Financial Corporation in Toronto, Canada during the period from 1989 to 1994 focusing on project finance and fund management. From early 1995, Mr. Cheung joined Liu Chong Hing Bank as senior manager until July 2006. An active figure in the social circle, Mr. Cheung has been director and advisor of Yan Chai Hospital, president of Peninsula Lions Club and zone chairman of Lions International District 303, etc. He is currently member of Overseas Senior Advisory Committee to the Haikou Municipal Government, Hainan. Mr. Cheung was the Company's executive Director and Chairman from September 2006, before he retired from the position in September 2010.

Mr. LEI Kam Chao, aged 56, has been appointed as the Executive Director of the Company on 25 June 2012. He is an executive director of Diamond Square Investment & Management Company Limited, a company incorporated in Hong Kong. Mr. Lei is also the President Honorario of Ma-Kuoc-Mio-Macau (澳門媽閣廟).

Independent Non-Executive Directors

Mr. CHENG Kai Tai, Allen, aged 48, has been appointed as an Independent Non-executive Director of the Company with effect from 20 March 2009. He is a qualified accountant and a fellow of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. He has practised as a Certified Public Accountant in Hong Kong for over 15 years. Mr. Cheng has extensive professional experience in audit, taxation, financial management, corporate recovery and restructuring. He holds a Master degree of accountancy in Jinan University in Mainland China, and is now acting as a consultant of a number of international companies with business interests in textile, retailing, metal trading and manufacturing in Mainland China. Other than the present appointment, Mr. Cheng currently serves as an independent non-executive director of New Environmental Energy Holdings Ltd (stock code: 3989) and served as an independent non-executive director of Xinhua News Media Holdings Limited (formerly known as Lo's Enviro-Pro Holdings Limited) (stock code: 309) and resigned on 2 November 2011, both companies of which are listed on the main board of the Stock Exchange.

Ms. DENG Xiaomei, aged 49, has been appointed as an Independent Non-executive Director of the Company on 26 August 2010 and retired on 21 September 2010. She has been re-appointed as an Independent Non-Executive Director and the Chairlady of the Board with effect from 8 October 2010. She graduated with a Bachelor degree from the Governmental School of Political Science and Law Management of Guangdong, Mainland China. Ms. Deng's experiences include working for the National Security Agency of Shenzhen, Police Department of Lianzhou City. She has also been active in the trading of antiques and Chinese calligraphy in the city of Seattle, the United States of America.

Mr. YOSHIDA Tsuyoshi, aged 68, has been appointed as an Independent Non-executive Director and a member of the audit committee of the Company with effect from 20 September 2010. He graduated from Osaka University. Mr. Yoshida began his career as an engineer, and has extensive experience in reputable companies such as Panasonic and Union Carbide Corporation, a subsidiary of Dow Chemical Company. His focus then turned entrepreneurial and setup multiple companies of his own. For the past decade, he has been active in entertainment business promotion in Macau.

Dr. WU Dingjie, aged 43, has been appointed as an Independent Non-executive Director and a member of audit committee of the Company with effect from 20 September 2010. He graduated from Jinan University with a Master in Journalism. He received his Doctor of Management, with focus on Finance, from Sun Yat-sen University in Guangdong, Mainland China. Mr. Wu has held various top-level positions in media & finance industry. He was the chief reporter for Secutimes, the director of investments at Eagle Securities and GF Futures.

DIRECTORS' SERVICE CONTRACTS

Each of Ms. Li Wing Sze, Mr. Ng Chi Keung, Mr. Cheung Nam Chung and Mr. Lei Kam Chao has a service contract with the Company which may be terminated by either party by written notice of not less than three months.

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

DIRECTORS' INTERESTS IN CONTRACTS

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

DIRECTORS' INTERESTS IN COMPETING BUSINESS

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

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

Save as disclosed below, as at 31 March 2012, according to the register of interest kept by the Company under Section 336 of the Securities and Futures Ordinance (the "SFO") and so far as was known to the Directors, none of the Directors and chief executive of the Company held any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (i) where required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), to be notified to the Company and the Stock Exchange.

Name of Directors/ Chief Executive	**Number of shares held**	**Underlying shares held** (Note)	**Total**	**Approximate percentage of shareholding**
Ms. Li Wing Sze	—	11,000,000	11,000,000	0.26%
Mr. Cheng Kai Tai, Allen	—	2,600,000	2,600,000	0.06%
Mr. Lau Dicky	128,000	—	128,000	0.003%
Mr. Cheung Nam Chung	30,000	—	30,000	0.0007%

Note: Detailed in the section headed "Share Options Scheme" of the Directors' Report.

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

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

SUBSTANTIAL SHAREHOLDER

As at 31 March 2012, 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	24.23%

Notes:

1. These Shares in which Mr. Ng Man Sun is interested in comprised of (1) 1,000,000,000 shares being personal interest; and (2) 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.

RETIREMENT BENEFIT SCHEMES

Details of the retirement benefit schemes of the Group and the employee's costs charged to the consolidated income statement for the year under review are set out in note 8 to the consolidated financial statements.

EMPLOYMENT AND REMUNERATION POLICY

As at 31 March 2012, the Group employed approximately 13 (2011: 13) permanent 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 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.

PROMISSORY NOTES

Details of the promissory notes issued by the Company are set out in note 24 to the financial statements.

RELATED PARTY TRANSACTIONS

Details of material related party transactions of the Group are set out in note 29 to the financial statements.

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

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

PRE-EMPTIVE RIGHTS

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

SUFFICIENCY OF PUBLIC FLOAT

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

CORPORATE GOVERNANCE

Throughout the year, the Company has compiled with all the code provision contained in the Appendix 14 to the Listing Rules. Principal Corporate Governance Practice adopted by the Company are set out in the Corporate Governance Report on pages 10 to 18 of this Annual report.

CONFIRMATION OF INDEPENDENCE

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

AUDITOR

CCIF CPA Limited resigned as auditor of the Company with effect from 6 February 2012. Pursuant to the resolution passed at the special general meeting of the Company on 27 February 2012, Baker Tilly Hong Kong Limited was appointed by the shareholders as auditor of the Company to fill the causal vacancy following the resignation of CCIF CPA Limited and to hold office until the conclusion of the next annual general meeting of the Company.

On behalf of the Board

Deng Xiaomei
Chairperson

Hong Kong, 29 June 2012

BAKER TILLY
HONG KONG LIMITED
CERTIFIED PUBLIC ACCOUNTANTS
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2nd Floor, 625 King's Road
North Point, Hong Kong
香港北角英皇道625號2樓

TO THE SHAREHOLDERS OF AMAX HOLDINGS LIMITED
(Incorporated in the Bermuda with limited liability)

We have audited the consolidated financial statements of Amax Holdings Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 30 to 94, which comprise the consolidated and company statements of financial position as at 31 March 2012, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

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

Except for the inability to obtain sufficient appropriate audit evidence as explained below, we conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. Because of the matters described in the basis for disclaimer of opinion paragraphs, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

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 or 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 were 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 note 2(b) 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.

Baker Tilly Hong Kong Limited
Certified Public Accountants
Hong Kong, 29 June 2012
Chan Kwan Ho, Edmond
Practising certificate number P02092

Consolidated Income Statement

For the year ended 31 March 2012 (Expressed in Hong Kong dollars)

	Note	2012 HK$'000	2011 HK$'000 (restated)
Turnover	5	**4,921**	4,860
Other income	6	**262**	43,913
Selling and distribution expenses		**(1,989)**	(883)
General and administrative expenses		**(23,512)**	(24,062)
Fair value gain on investment properties	16	**280**	610
Impairment of available-for-sale financial asset	21	**(30,936)**	(90,924)
Impairment of goodwill	18	**(18,309)**	—
Loss on dilution of equity interest in an associate	4	**—**	(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	20	**238,364**	844,007
Finance costs	7	**(9,489)**	(11,262)
Profit before taxation	8	**161,092**	555,334
Income tax	9	**—**	—
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	13(a)	**3.91**	14.36
— diluted	13(b)	**3.91**	14.33

The notes on pages 37 to 94 form part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2012 (Expressed in Hong Kong dollars)

	2012 HK$'000	2011 HK$'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

The notes on pages 37 to 94 form part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 March 2012 (Expressed in Hong Kong dollars)

	Note	31 March 2012 HK$'000	31 March 2011 HK$'000 (restated)	1 April 2010 HK$'000
Non-current assets				
Property, plant and equipment	15	1,913	1,661	2,298
Investment properties	16	4,420	4,140	3,530
Intangible assets	17	16,365	18,410	7,678
Goodwill	18	—	18,309	—
Interests in associates	20	1,191,209	953,333	330,876
Other financial assets	21	—	30,936	121,860
		1,213,907	1,026,789	466,242
Current assets				
Trade and other receivables	22	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	23	(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	24	(145,057)	(135,568)	(226,726)
NET ASSETS		1,058,992	896,047	292,632
CAPITAL AND RESERVES	25			
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

Approved and authorised to issue by the board of directors on 29 June 2012.

Ng Chi Keung
Director

Li Wing Sze
Director

The notes on pages 37 to 94 form part of these consolidated financial statements.

Statement of Financial Position

As at 31 March 2012 (Expressed in Hong Kong dollars)

	Note	31 March 2012 HK$'000	31 March 2011 HK$'000 (restated)	1 April 2010 HK$'000
Non-current assets				
Property, plant and equipment	15	**884**	1,661	2,143
Investment properties	16	**4,420**	4,140	3,530
Investments in subsidiaries	19	**24,462**	74,462	74,462
Interests in associates	20	**1,191,209**	950,738	330,876
Other financial assets	21	**—**	30,936	144,651
		1,220,975	1,061,937	555,662
Current assets				
Trade and other receivables	22	**91,738**	105,570	120,859
Cash and cash equivalents		**8,803**	9,301	1,679
		100,541	114,871	122,538
Current liabilities				
Trade and other payables	23	**(185,660)**	(183,336)	(155,919)
Borrowings		**—**	—	(5,000)
		(185,660)	(183,336)	(160,919)
Net current liabilities		**(85,119)**	(68,465)	(38,381)
Total assets less current liabilities		**1,135,856**	993,472	517,281
Non-current liabilities				
Promissory notes	24	**(145,057)**	(135,568)	(226,726)
NET ASSETS		**990,799**	857,904	290,555
CAPITAL AND RESERVES	25(a)			
Share capital		**41,527**	41,527	38,060
Reserves		**949,272**	816,377	252,495
TOTAL EQUITY		**990,799**	857,904	290,555

Approved and authorised to issue by the board of directors on 29 June 2012.

Ng Chi Keung	**Li Wing Sze**
Director	Director

The notes on pages 37 to 94 form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2012 (Expressed in Hong Kong dollars)

		Attributable to owners of the Company									
	Note	Share capital HK$'000	Share premium HK$'000	Special reserve HK$'000	Contributed surplus HK$'000	Capital reserve HK$'000	Exchange reserve HK$'000	Accumulated losses HK$'000	Sub-total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 April 2010		38,060	279,632	(22,470)	2,180,026	9,705	–	(2,192,321)	292,632	–	292,632
Total comprehensive income for the year, as restated		–	–	–	–	–	–	555,334	555,334	–	555,334
Shares issued for acquisition of a subsidiary		3,087	40,744	–	–	–	–	–	43,831	–	43,831
Equity-settled share-based transaction		–	–	–	–	1,096	–	–	1,096	–	1,096
Shares issued under employee share options scheme		380	3,784	–	–	(1,010)	–	–	3,154	–	3,154
Share options forfeited		–	–	–	–	(3,214)	–	3,214	–	–	–
		3,467	44,528	–	–	(3,128)	–	3,214	48,081	–	48,081
At 31 March 2011 and at 1 April 2011, as restated		41,527	324,160	(22,470)	2,180,026	6,577	–	(1,633,773)	896,047	–	896,047
Profit for the year		–	–	–	–	–	–	162,251	162,251	(1,159)	161,092
Exchange differences on translation of foreign operations		–	–	–	–	–	144	–	144	63	207
Total comprehensive income for the year		–	–	–	–	–	144	162,251	162,395	(1,096)	161,299
Acquisition of a subsidiary	30(b)	–	–	–	–	–	–	–	–	1,646	1,646
Share option forfeited		–	–	–	–	(352)	–	352	–	–	–
At 31 March 2012		41,527	324,160	(22,470)	2,180,026	6,225	144	(1,471,170)	1,058,442	550	1,058,992

The notes on pages 37 to 94 form part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 March 2012 (Expressed in Hong Kong dollars)

	Note	2012 HK$'000	2011 HK$'000 (restated)
Operating activities			
Profit before tax		**161,092**	555,334
Adjustments for:			
Loss on dilution of equity interest in an associate	4	**—**	224,424
Interest income	6	**(2)**	(1,374)
Gain on off-setting promissory notes payable to against loans receivable from holders of promissory notes	6	**—**	(42,317)
Interest expenses	7	**9,489**	11,262
Loss on disposal of property, plant and equipment	8	**—**	1
Equity-settled share-based payment expenses	8(a)	**—**	1,096
Depreciation of property, plant and equipment	15	**1,067**	1,546
Increase in fair value of investment properties	16	**(280)**	(610)
Amortisation of intangible assets	17	**2,045**	767
Reversal of impairment loss on intangible assets	17	**—**	(11,499)
Impairment of goodwill	18	**18,309**	—
Share of profit of associates	20	**(238,364)**	(844,007)
Impairment of available-for-sale financial asset	21	**30,936**	90,924
Reversal of impairment loss on other receivables	22(b)	**(1,500)**	(2,000)
Operating loss before changes in working capital		**(17,208)**	(16,453)
Decrease in trade and other receivables		**13,615**	14,821
Decrease in trade and other payables		**(991)**	(860)
Net cash used in operating activities		**(4,584)**	(2,492)
Investing activities			
Interest received	6	**2**	—
Payment for the purchase of property, plant and equipment	15	**(512)**	(910)
Cash inflow from acquisition of a subsidiary	30(b)/(a)	**1,348**	22,643
Net cash generated from investing activities		**838**	21,733

	Note	2012 HK$'000	2011 HK$'000 (restated)
Financing activities			
Proceeds from shares issued under share option scheme		–	1,238
Repayment of borrowings		–	(5,000)
Net cash used in financing activities		–	(3,762)
Net (decrease)/increase in cash and cash equivalents		(3,746)	15,479
Cash and cash equivalents at 1 April		32,026	16,547
Effect of foreign exchange rate change		154	–
Cash and cash equivalents at 31 March		28,434	32,026

Major non cash transactions:

During the year ended 31 March 2011, the Company allotted and issued a total of 308,666,000 new shares at a price of HK$0.137 and HK$0.143 per share in connection with the acquisition of a subsidiary (see note 30(a)).

During the year ended 31 March 2011, loans of HK$55,000,000 to holders of promissory notes and accrued loan interest receivables of HK$4,990,000 were fully off-set against the promissory notes with a carrying amount of HK$102,307,000 (see note 24).

The notes on pages 37 to 94 form part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

1 GENERAL INFORMATION

Amax Holdings Limited (the "Company") was incorporated and domiciled in Bermuda as an exempted company with limited liability under the Companies Act of Bermuda and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

The address of the registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The principal place of business of the Company is located at Suite Nos. 3–5A, 15th Floor, Tower 6, China Hong Kong City, 33 Canton Road, Kowloon, Hong Kong.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The consolidated financial statements for the year ended 31 March 2012 comprise the Company and its subsidiaries (together the "Group") and the Group's interests in an associate.

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 3 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.

A summary of the significant accounting policies adopted by the Group is set out below.

(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 (see note 2(f)); and

— investment properties (see note 2(h)).

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Basis of preparation of the consolidated financial statements (continued)

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 and other debtors;
- 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.

The preparation of consolidated financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of HKFRSs that have a significant effect on these consolidated financial statements and major sources of estimation uncertainty are discussed in note 31.

(c) Subsidiaries and non-controlling interests

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

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Subsidiaries and non-controlling interests (continued)

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

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at their proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated income statement and the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the owners of the Company.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment losses (see note 2(k)).

(d) Associates

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

An investment in an associate is accounted for in the consolidated financial statements under the equity method. Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair value of the associate's identifiable net assets over the cost of investment. Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the associate's net assets and any impairment loss relating to the investment (see notes 2(e) and (k)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the associates and any impairment losses for the year are recognised in the consolidated income statement, whereas the Group's share of the post-acquisition post-tax items of the associates' other comprehensive income is recognised in the consolidated statement of comprehensive income.

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

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Associates (continued)

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

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in that associate, with a resulting gain or loss being recognised in profit or loss.

In the Company's statement of financial position, an investment in an associate is stated at cost less impairment losses (see note 2(k)).

(e) Goodwill

Goodwill represents the excess of

(i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over

(ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each of the cash-generating unit, or groups of cash-generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 2(k)).

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

(f) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or are not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments. Available-for-sale financial assets are initially measured at their fair value, which is their transaction price unless fair value can be reliably estimated using valuation techniques whose variables include only data from observable markets. At the end of each reporting period, the fair value is remeasured, with any resultant gain or loss being recognised directly in equity in the fair value reserve. When these financial assets are derecognised or impaired (see note 2(k)), the cumulative gain or loss previously recognised directly in equity is reclassified to profit or loss.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses (see note 2(k)).

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

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

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

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

(h) Investment properties

Investment properties are land and/or buildings which are owned or held under a leasehold interest (see note 2(k)) to earn rental income and/or for capital appreciation.

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

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

(i) Intangible assets (other than goodwill)

Intangible assets that are acquired by the Group and have finite useful lives are stated at cost less accumulated amortisation and impairment losses (see note 2(k)).

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Intangible assets (other than goodwill) (continued)

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

— Rights in sharing profit streams for gaming tables related operation and slot machine related operation	14 years

Both period and method of amortisation are reviewed annually.

(j) Leased assets

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

(i) Classification of assets leased to the Group

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

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

(ii) Operating lease charges

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

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Impairment of assets

(i) Impairment of investments in equity securities and receivables

Investments in equity securities and other receivables that are stated at cost or amortised cost are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

— significant financial difficulty of the debtor;

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

— it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;

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

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

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

— For investments in subsidiaries and associates recognised using the equity method (see note 2(d)), the impairment loss is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 2(k)(ii). The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount in accordance with note 2(k)(ii).

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

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

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Impairment of assets (continued)

(i) ***Impairment of investments in equity securities and receivables*** (continued)

— For available-for-sale financial assets, the cumulative loss that has been recognised in the fair value reserve is reclassified to profit or loss. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

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

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

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

(ii) ***Impairment of other assets***

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

— property, plant and equipment;

— intangible assets; and

— goodwill.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, the recoverable amount is estimated annually whether or not there is any indication of impairment.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Impairment of assets (continued)

(ii) Impairment of other assets (continued)

— *Calculation of recoverable amount*

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

— *Recognition of impairment losses*

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

— *Reversals of impairment losses*

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

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

(l) Trade and other receivables

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

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Interest-bearing borrowings

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

(n) Trade and other payables

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

(o) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments and cash chips that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(p) Employee benefits

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

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

(ii) Share-based payments

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

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Employee benefits (continued)

(ii) ***Share-based payments*** (continued)

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

(iii) ***Termination benefits***

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

(q) Income tax

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

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

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

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Income tax (continued)

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

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

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

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

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

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Income tax (continued)

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

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

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

(i) the same taxable entity; or

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

(r) Provisions and contingent liabilities

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

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

(s) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) Investments in gaming and entertainment related business

Revenue from investments in gaming and entertainment related business, representing the sharing of net gaming wins and fixed monthly income, is recognised when the relevant services have been rendered.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Revenue recognition (continued)

(ii) Rental income from operating leases

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

(iii) Interest income

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

(t) Translation of foreign currencies

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

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

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items including goodwill arising on consolidation of foreign operations acquired on or after 1 January 2005, are translated into Hong Kong dollars at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

(u) Borrowing costs

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

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

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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

(w) Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the executive directors, the Group's chief operating decision maker for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Segment reporting (continued)

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 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 in note 27 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.

(Expressed in Hong Kong dollars)

3 APPLICATIONS OF NEW AND REVISED HKFRSs (continued)

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.

4 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 were not able to obtain satisfactory audit evidence to confirm the directors' view of the Group's percentage of ownership interests in Greek Mythology and to satisfy themselves as whether a gain 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 the 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, a loss on dilution of interest in an associate, previously not recognised, has also been restated.

The following tables disclose the restatements that have been made in order to reflect the dilution of the Group's interest 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 adjusted by the Group to account for an intangible asset of Greek Mythology. 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 effective on 8 November 2010.

4 PRIOR YEAR'S ADJUSTMENTS (continued)

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

4 PRIOR YEAR'S ADJUSTMENTS (continued)

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

4 PRIOR YEAR'S ADJUSTMENTS (continued)

Statement of financial position as at 31 March 2011

The Company	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
Investments in subsidiaries	74,462	—	74,462
Interests in associates	1,561,381	(610,643)	950,738
Other financial assets	30,936	—	30,936
	1,672,580	(610,643)	1,061,937
Current assets			
Trade and other receivables	105,570	—	105,570
Cash and cash equivalents	9,301	—	9,301
	114,871	—	114,871
Current liabilities			
Trade and other payables	(183,336)	—	(183,336)
Net current liabilities	(68,465)	—	(68,465)
Total assets less current liabilities	1,604,115	(610,643)	993,472
Non-current liabilities			
Promissory notes	(135,568)	—	(135,568)
NET ASSETS	1,468,547	(610,643)	857,904
CAPITAL AND RESERVE			
Share capital	41,527	—	41,527
Reserves	1,427,020	(610,643)	816,377
TOTAL EQUITY	1,468,547	(610,643)	857,904

5 TURNOVER

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

Turnover comprises the following:

	2012 **HK$'000**	2011 HK$'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 (see note 21(b)).

6 OTHER INCOME

	2012 **HK$'000**	2011 HK$'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 (see note 24)	**—**	42,317
Gross rental income from investment properties	**228**	221
Sundry income	**32**	1
	262	43,913

7 FINANCE COSTS

	2012 HK$'000	2011 HK$'000
Interest on borrowings wholly repayable within five years	—	113
Interest on promissory notes (see note 24)	9,489	11,149
	9,489	11,262

8 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	2012 HK$'000	2011 HK$'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

9 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.

9 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (continued)

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 expense	–	–

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, losses of approximately HK$4,868,000 (2011: HK$Nil) will expire within 5 years and the remaining tax losses of approximately HK$567,000 (2011: HK$567,000) have no expiry date under the current tax legislation.

10 DIRECTORS' EMOLUMENTS

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

	2012				
	Directors' fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Discretionary bonuses HK$'000	Retirement scheme contributions HK$'000	Total HK$'000
Executive directors					
Ms. Li Wing Sze	–	420	90	12	522
Mr. Ng Chi Keung	–	1,020	180	12	1,212
Mr. Dicky Lau	–	408	86	12	506
Mr. Cheung Nam Chung	–	1,010	138	286	1,434
Independent non-executive directors					
Mr. Cheng Kai Tai, Allen	300	–	30	–	330
Mr. Fang Ang Zhen	47	–	–	–	47
Ms. Deng Xiaomei	360	–	30	–	390
Dr. Wu Dingjie	96	–	8	–	104
Mr. Yoshida Tsuyoshi	126	–	13	–	139
	929	2,858	575	322	4,684

10 DIRECTORS' EMOLUMENTS (continued)

				2011			
	Directors' fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Discretionary bonuses HK$'000	Retirement scheme contributions HK$'000	Sub-total HK$'000	Equity-settled share-based payments HK$'000	Total HK$'000
Executive directors							
Ms. Li Wing Sze	—	379	31	22	432	28	460
Mr. Li Kin Ho, Kenny	—	687	—	2	689	—	689
Mr. Victor Ng	—	47	—	2	49	—	49
Mr. Ng Chi Keung	—	495	50	8	553	—	553
Mr. Dicky Lau	56	165	13	7	241	—	241
Non-executive directors							
Mr. Cheung Nam Chung	45	703	62	18	828	—	828
Mr. Leung Kin Cheong, Laurent	35	—	—	—	35	—	35
Independent non-executive directors							
Mr. Chan Chiu Hung, Alex	32	—	—	—	32	—	32
Mr. Cheng Kai Tai, Allen	184	—	—	—	184	29	213
Ms. Lorna Patajo Kapunan	12	—	—	—	12	—	12
Mr. Fang Ang Zhen	106	—	—	—	106	29	135
Prof. Zeng Zhong Lu	—	—	—	—	—	—	—
Ms Deng Xiaomei	178	—	—	—	178	—	178
Dr. Wu Dingjie	50	—	—	—	50	—	50
Mr. Yoshida Tsuyoshi	50	—	—	—	50	—	50
	748	2,476	156	59	3,439	86	3,525

11 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, three (2011: three) are directors of the Company whose emoluments are disclosed in note 10. The emoluments in respect of the remaining two (2011: two) individuals are as follows:

	2012 HK$'000	2011 HK$'000
Salaries and other emoluments	**2,422**	2,434
Equity-settled share-based payments	**—**	1,010
Retirement scheme contributions	**18**	18
	2,440	3,462

11 INDIVIDUALS WITH HIGHEST EMOLUMENTS (continued)

The emoluments of the two (2011: two) individuals with highest emoluments are within the following band:

	2012 Number of individuals	2011 Number of individuals
HK$Nil–HK$1,000,000	1	1
HK$1,000,001–HK$2,500,000	1	—
HK$2,500,001–HK$3,000,000	—	1

12 PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

The consolidated profit attributable to owners of the Company includes a profit of approximately HK$132,895,000 (2011: HK$519,268,000 (restated)) which has been dealt with in the financial statements of the Company.

13 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, calculated as follows:

	2012 '000	2011 '000
Issued ordinary shares at 1 April	4,152,656	3,805,989
Effect of shares issued for acquisition of a subsidiary	—	55,818
Effect of shares issued under employee share options scheme	—	4,373
Weighted average of ordinary shares	4,152,656	3,866,180

13 EARNINGS PER SHARE (continued)

(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, calculated as follows:

	2012 **'000**	2011 '000
Weighted average number of shares at 31 March	**4,152,656**	3,866,180
Effect of deemed issue of share under the Company's share option scheme for nil consideration	**–**	7,865
Weighted average number of shares (diluted) at 31 March	**4,152,656**	3,874,045

	2012	2011 (restated)
Diluted earnings per share (HK$ cents per share)	**3.91**	14.33

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

14 SEGMENT INFORMATION (continued)

(a) Geographical information (continued)

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

	2012 HK$'000	2011 HK$'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.

15 PROPERTY, PLANT AND EQUIPMENT

The Group

	Leasehold improvements HK$'000	Furniture and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
Cost:				
At 1 April 2010	3,329	1,916	2,101	7,346
Additions	526	29	355	910
Disposals	(3,328)	(773)	—	(4,101)
At 31 March 2011 and 1 April 2011	527	1,172	2,456	4,155
Acquisition of a subsidiary (note 30(b))	—	762	—	762
Additions	213	299	—	512
Exchange realignment	—	45	—	45
At 31 March 2012	740	2,278	2,456	5,474
Accumulated depreciation:				
At 1 April 2010	2,661	1,099	1,288	5,048
Charge for the year	697	382	467	1,546
Write back on disposals	(3,327)	(773)	—	(4,100)
At 31 March 2011 and 1 April 2011	31	708	1,755	2,494
Charge for the year	264	419	384	1,067
At 31 March 2012	295	1,127	2,139	3,561
Carrying amount:				
At 31 March 2012	445	1,151	317	1,913
At 31 March 2011	496	464	701	1,661
At 1 April 2010	668	817	813	2,298

15 PROPERTY, PLANT AND EQUIPMENT (continued)

The Company

	Leasehold improvements HK$'000	Furniture and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
Cost:				
At 1 April 2010	2,268	1,144	2,101	5,513
Additions	526	29	355	910
Disposals	(2,268)	—	—	(2,268)
At 31 March 2011 and 1 April 2011	526	1,173	2,456	4,155
Additions	—	19	—	19
At 31 March 2012	526	1,192	2,456	4,174
Accumulated depreciation:				
At 1 April 2010	1,601	481	1,288	3,370
Charge for the year	696	228	467	1,391
Write back on disposals	(2,267)	—	—	(2,267)
At 31 March 2011 and 1 April 2011	30	709	1,755	2,494
Charge for the year	175	237	384	796
At 31 March 2012	205	946	2,139	3,290
Carrying amount:				
At 31 March 2012	321	246	317	884
At 31 March 2011	496	464	701	1,661
At 1 April 2010	667	663	813	2,143

16 INVESTMENT PROPERTIES

At fair value	The Group and the Company HK$'000
At 1 April 2010	3,530
Increase in fair value recognised in profit or loss	610
At 31 March 2011 and 1 April 2011	4,140
Increase in fair value recognised in profit or loss	280
At 31 March 2012	4,420

The investment properties are held in Hong Kong on long-term leases. The fair value of investment properties at 31 March 2012 and 31 March 2011 have been arrived at on the basis of a valuation carried out at that date by Ascent Partners Transaction Services Limited, independent firm professional valuers. Ascent Partners Transaction Services Limited, who have among their staff members of the Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued.

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

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

	The Group and the Company	
	2012 HK$'000	2011 HK$'000
Within 1 year	**240**	216
After 1 year but within 5 years	**18**	221
	258	437

17 INTANGIBLE ASSETS

	Right in sharing of profit streams of gaming tables related operation HK$'000	Right in sharing of profit streams of slot machine related operation HK$'000	Total HK$'000
Cost:			
At 1 April 2010, 31 March 2011, 1 April 2011 and 31 March 2012	20,000	47,092	67,092
Accumulated amortisation and impairment losses:			
At 1 April 2010	12,322	47,092	59,414
Charge for the year	767	—	767
Reversal of impairment loss	(6,906)	(4,593)	(11,499)
At 31 March 2011 and 1 April 2011	6,183	42,499	48,682
Charge for the year	1,535	510	2,045
At 31 March 2012	7,718	43,009	50,727
Carrying amount:			
At 31 March 2012	12,282	4,083	16,365
At 31 March 2011	13,817	4,593	18,410
At 1 April 2010	7,678	—	7,678

The amortisation charge for the year is included in "general and administrative expenses" in the consolidated income statement.

The intangible assets relate to the Group's rights to share a portion of the net gaming wins from certain gaming tables in the high rolling gaming area and certain slot machines in Greek Mythology Casino in Macau for 14 years from 16 February 2007. With effect from 1 October 2010, the Group has granted the associate, Greek Mythology, the right to operate and manage the aforesaid gaming tables and slot machines. In return, the Group earns fixed monthly income of HK$300,000 and HK$100,000 from Greek Mythology in respect of the gaming tables and slot machines operations, respectively, and no longer shares the net gaming wins. Taking into consideration the fixed monthly income, the directors consider that there is no indication of impairment in the carrying amounts of the intangible assets.

18 GOODWILL

	The Group HK$'000
Cost:	
At 1 April 2010	—
Arising on acquisition of a subsidiary (Note 30(a))	18,309
At 31 March 2011, 1 April 2011 and 31 March 2012	18,309
Accumulated impairment losses:	
At 1 April 2010, 31 March 2011 and 1 April 2011	—
Impairment loss	18,309
At 31 March 2012	18,309
Carrying amount:	
At 31 March 2012	—
At 31 March 2011	18,309
At 1 April 2010	—

Goodwill relates to the acquisition of 100% equity interest in Le Rainbow China Limited which, at the time of acquisition, held 60% equity interest in 南寧樂彩互動信息服務有限公司 (Nanning Inter-Joy LOTTO Information Services Co., Ltd., "Nanning Inter-Joy") in the year ended 31 March 2011 (see note 30(a)). Nanning Inter-Joy is licenced to provide computer lottery terminals and related hardware and software and marketing services to Guangxi Public Welfare Lottery Issue Centre for two years to July 2013, at the end of which period, the licence can be renewed subject to negotiation of the terms.

For the impairment testing, goodwill is allocated to the cash-generating unit ("CGU") engaged in provision of computer lottery terminals and related hardware and software and marketing services to Guangxi Public Welfare Lottery Issue Centre. The recoverable amount of this CGU is determined based on value-in-use calculation. This calculation used cash flow projections based on financial budget approved by management covering a period up to the expiry of the licence of providing the services to the Guangxi Public Welfare Lottery Issue Centre in July 2013 and extrapolated cash flows for the following three years based on estimated growth rates of 3%–349%. The discount rate applied to cash flow projections was 10.87%. The management is confident that Nanning Inter-Joy can renew its licence for another three years.

The impairment testing resulted in impairment loss recognised in profit or loss for the year ended 31 March 2012 of HK$18,309,000 (2011: HK$Nil). The impairment loss arose in view of deterioration in revenue and operating results of the CGU in the current year.

19 INVESTMENTS IN SUBSIDIARIES

	31.3.2012 HK$'000	31.3.2011 HK$'000	1.4.2010 HK$'000
Unlisted shares, at cost	118,790	118,790	118,790
Less: Impairment loss	(94,328)	(44,328)	(44,328)
	24,462	74,462	74,462

An impairment loss of HK$94,328,000 (2011: HK$44,328,000) was recognised based upon the directors' estimation on the net recoverable amount of the investments in subsidiaries.

Particulars of subsidiaries as at 31 March 2012 are as follows:

Name of company	Place of incorporation/ operation	Particulars of issued and fully paid-up capital	Proportion of ownership interest held by the Company Directly	Indirectly	Principal activities
Ace High Group Limited ("Ace High")	BVI/Hong Kong	10,000 ordinary shares of US$1 each	100%	–	Investment in junket related operation
GMC Management Limited	Hong Kong/Hong Kong	10,000 ordinary shares of HK$1 each	100%	–	Inactive
Gold Faith Development Limited	BVI/Hong Kong	50,000 ordinary shares of US$1 each	100%	–	Inactive
Hong Kong Macau Express Limited	Hong Kong/Hong Kong	750,000 ordinary shares of HK$1 each	51%	–	Inactive
Jadepower Limited	BVI/Macau	1,000 ordinary shares of US$1 each	100%	–	Investment in slot machines related operation
Super Peak Limited	BVI/Hong Kong	1,000 ordinary shares of US$1 each	100%	–	Not yet commerce business
Thousand Ocean Investments Limited	BVI/Macau	1,000 ordinary shares of US$1 each	100%	–	Investment in gaming tables related operation
Tower Champion Limited	BVI/Hong Kong	1 ordinary share of US$1	100%	–	Not yet commence business
Win Gene Company Limited*	Hong Kong/Hong Kong	1 ordinary share of HK$1 each	100%	–	Not yet commence business
Win Macau Express Limited*	Hong Kong/Hong Kong	1 ordinary share of HK$1 each	100%	–	Not yet commence business
Le Rainbow Worldwide Limited	Hong Kong/Hong Kong	1 ordinary share of HK$1	100%	–	Investment holding
Le Rainbow China Limited	Hong Kong/Hong Kong	1 ordinary share of HK$1	–	100%	Investment holding
Le Rainbow Venture Limited	Hong Kong/Hong Kong	1 ordinary share of HK$1	–	100%	Not yet commence business
Le Rainbow Overseas Limited	Hong Kong/Hong Kong	1 ordinary share of HK$1	–	100%	Not yet commence business
Sino Immigration Consultants Limited	Hong Kong/Hong Kong	100 ordinary shares of HK$1 each	–	51%	Not yet commence business
南寧樂彩互動信息服務有限公司 (Nanning Inter-Joy)	PRC/PRC	HK$6,430,000	–	70%	Provision of software, hardware, transmission network and distribution marketing service to Guangxi Public Welfare Lottery Issue Centre

* Incorporated during the year ended 31 March 2012

19 INVESTMENTS IN SUBSIDIARIES (continued)

In September 2011, the Group acquired 60% equity interest in Nanning Inter-Joy through the acquisition of Le Rainbow China Limited (see note 30(a)). Since acquisition, Nanning Inter-Joy was regarded as an associate of the Group until 30 May 2011 as the Group was not in a position to control a majority of the directors of Nanning Inter-Joy and, therefore, had no power to govern its financial and operating policies during that period.

During the year, the Group increased its equity interest in Nanning Inter-Joy from 60% to 70% (see note 30(b)). With effect from 30 May 2011, the Group has power to appoint a majority of the directors of Nanning Inter-Joy, and since then Nanning Inter-Joy has been regarded as a subsidiary.

20 INTERESTS IN ASSOCIATES

	The Group			The Company		
	31.3.2012 HK$'000	31.3.2011 HK$'000 (restated)	1.4.2010 HK$'000	**31.3.2012 HK$'000**	31.3.2011 HK$'000 (restated)	1.4.2010 HK$'000
Unlisted shares, at cost	**—**	—	—	**2,332,479**	2,332,479	2,332,479
Share of net assets	**1,191,209**	953,333	330,876	**—**	—	—
	1,191,209	953,333	330,876	**2,332,479**	2,332,479	2,332,479
Impairment loss						
At 1 April	**—**	—	—	**1,381,741**	2,001,603	1,444,657
(Reversed)/provided during the year	**—**	—	—	**(240,471)**	(619,862)	556,946
At 31 March	**—**	—	—	**1,141,270**	1,381,741	2,001,603
	1,191,209	953,333	330,876	**1,191,209**	950,738	330,876

As stated in note 19, Nanning Inter-Joy, previously regarded as an associate in the year ended 31 March 2011, was reclassified as subsidiary with effect from 30 May 2011.

Particulars of the associate as at 31 March 2012 are as follows:

Name of associate	Place of incorporation/ operation	Particulars of issued and fully paid-up capital	Proportion of ownership interest directly held by the Company 2012	2011 (restated)	Principal activities
Greek Mythology	Macau/Macau	4,851 ordinary shares of MOP1,000 each	24.8%	24.8%	Provision of casino management services including sales, promotion, advertising, patron referral, patron referral, patron development and casino activities

20 INTERESTS IN ASSOCIATES (continued)

Summary financial information of the associates is set out below:

	2012		2011	
	Greek Mythology HK$'000	Nanning Inter-Joy HK$'000	Greek Mythology HK$'000 (restated)	Nanning Inter-Joy HK$'000
Non-current assets	2,994,892	—	2,542,402	3,821
Current assets	2,043,067	—	2,294,989	867
Current liabilities	(212,611)	—	(374,333)	(363)
Non-current liabilities	(22,083)	—	(629,434)	—
Net assets	4,803,265	—	3,833,624	4,325
Group's share of net assets of associates	1,191,209	—	950,738	2,595
Revenue	3,321,663	1	1,135,531	2
Operating profit/(loss) before amortisation, impairment loss and reversal of impairment loss of intangible assets	577,952	(307)	544,118	(465)
Amortisation of intangible assets	(221,632)	—	(7,286)	—
Impairment loss of intangible assets	—	(3,051)	—	—
Reversal of impairment loss of intangible assets	613,321	—	1,929,110	—
Taxation	—	—	—	—
Profit/(loss) for the year	969,641	(3,358)	2,465,942	(465)
Group's share of profit/(loss) and total comprehensive income/(loss) of associates for the year	240,471	(2,107)	844,286	(279)

The summary financial information of Greek Mythology is based on its unaudited management accounts for the years ended 31 March 2012 and 2011 adjusted by the Group to account for an intangible asset of Greek Mythology.

(Expressed in Hong Kong dollars)

20 INTERESTS IN ASSOCIATES (continued)

Included in the non-current assets of Greek Mythology is an intangible asset of HK$2,386,373,000 (2011: HK$1,994,684,000 (restated)) which relates to Greek Mythology's right of receiving a percentage of net gaming wins of Greek Mythology Casino in Macau for the provision of casino management services including sales, promotion, advertising, patron referral, patron development and casino activities coordination to Sociedade De Jogos De Macau, S.A, the operator of the Greek Mythology Casino, for a period of 14 years from 1 April 2006. Taking into consideration the market information, the internal information relating to the gaming related operations of Greek Mythology and the valuation of the external valuers, the Group estimates the recoverable amount and any impairment of the intangible asset.

The recoverable amount of the intangible asset is determined based on value-in-use calculations. These calculations use cash flow projections based on cash flows estimated by the management covering a four-year period, and cash flows for the following four years (2011: five years) are extrapolated using the estimated rates stated below.

	2012 **%**	2011 %
— Growth in revenue year-on-year	**0**	3–5
— Discount rate	**15.25**	14.7

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

The above value-in-use calculations as at 31 March 2012 and 31 March 2011 were contained in a report based on a valuation carried out by an independent professional valuer, Grant Sherman Appraisal Limited, with recent experience in conducting business and intangible assets valuation in gaming and entertainment industry in Macau.

Based on the above valuations, the carrying amount of the intangible assets as at 31 March 2012 is lower than its recoverable amount, and the management considered that a reversal of impairment loss of approximately HK$613,321,000 (2011: HK$1,929,110,000) is necessary at the associate level. The Group's share of reversal of impairment loss of the intangible asset of HK$152,104,000 (2011: HK$650,025,000 (restated)) is included in the Group's share of profit of associates in the consolidated income statement for the year ended 31 March 2012.

21 OTHER FINANCIAL ASSETS

	Note	31.3.2012 HK$'000	31.3.2011 HK$'000	1.4.2010 HK$'000
The Company				
Loan to a subsidiary	(a)	1,850,000	1,850,000	1,850,000
Less: Impairment loss		(1,850,000)	(1,819,064)	(1,705,349)
		–	30,936	144,651
The Group				
Available-for-sale financial asset	(b)	2,095,268	2,095,268	2,095,268
Less: Impairment loss		(2,095,268)	(2,064,332)	(1,973,408)
		–	30,936	121,860

Impairment of other financial assets:

	The Group		The Company	
	2012 HK$'000	2011 HK$'000	2012 HK$'000	2011 HK$'000
At 1 April	2,064,332	1,973,408	1,819,064	1,705,349
Additions	30,936	90,924	30,936	113,715
At 31 March	2,095,268	2,064,332	1,850,000	1,819,064

	The Group		The Company	
	2012 HK$'000	2011 HK$'000	2012 HK$'000	2011 HK$'000
Impairment loss				
— through profit or loss	1,900,000	1,869,064	1,850,000	1,819,064
— through statement of comprehensive income	195,268	195,268	–	–
	2,095,268	2,064,332	1,850,000	1,819,064

21 OTHER FINANCIAL ASSETS (continued)

(a) Loan to a subsidiary

The loan to a subsidiary was used for financing the loan provided to AMA (see note 21(b)). The loan is secured by a guarantee from Mr. Francisco Xavier Albino ("Mr. Albino"), interest-free and is repayable on demand.

(b) Available-for-sale financial asset

The available-for-sale financial asset comprises a loan of HK$1.9 billion (2011: HK$1.9 billion) provided in December 2007 by a wholly-owned subsidiary, Ace High, to AMA as the operating capital of AMA for it to carry on the junket business in Macau. In return, AMA has agreed to transfer all of its junket business profits generated under the gaming promotion agreement dated 21 August 2007 entered into between AMA and Melco PBL Gaming (Macau) Limited (the "Gaming Operator") to Ace High. The profits represent the aggregate commissions of 1.35% and bonuses payable by the Gaming Operator to AMA 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 relevant operational and administrative expenses incurred and tax payable to the Macau Government by AMA. On the same date, Ace High and Mr. Albino entered into an agreement whereby Ace High has to transfer 20% of the profits from AMA under the aforesaid gaming promotion agreement to Mr. Albino.

In December 2009, the Gaming Operator revoked the aforesaid gaming promotion agreement and entered into a new gaming promotion agreement with AMA, whereby the commission rate for AMA was reduced from 1.35% to 1.20%, following the implementation of a 1.25% cap on junket commission by the Macau Government. Besides, the Gaming Operator unilaterally entered into separate agreements with some of AMA's collaborators and some collaborators ceased their business in the premises of the Gaming Operator. AMA was no longer to share the gaming wins of those collaborators who dealt directly with the Gaming Operator and the commissions and bonuses from the Gaming Operator. AMA's only remaining enforceable agreement was with a collaborator who agreed to share 0.05% commission on the rolling volume generated at casino with AMA. The new gaming promotion agreement was mutually terminated in June 2010.

Due to these adverse changes and the fact that AMA has not recorded any profits since December 2009, accumulated impairment losses of HK$2,064,332,000 were recognised as at 31 March 2011. As there were no share of profits and loan repayments from AMA in the year ended 31 March 2012, the management considered that the available-for-sale financial asset had been fully impaired as at 31 March 2012, and a further impairment loss of HK$30,936,000 was recognised in profit or loss for the year ended 31 March 2012.

22 TRADE AND OTHER RECEIVABLES

		The Group			The Company		
	Note	**31.3.2012 HK$'000**	31.3.2011 HK$'000	1.4.2010 HK$'000	**31.3.2012 HK$'000**	31.3.2011 HK$'000	1.4.2010 HK$'000
Trade receivables	(a)	**—**	2,500	30,000	**—**	—	—
Other receivables	(b)	**63,340**	—	113,636	**—**	—	59,616
Due from an associate	(c)	**3,037**	75,077	4,768	**13**	14	2
Due from subsidiaries	(d)	**—**	—	—	**90,655**	104,566	60,038
Rental and other deposits		**774**	393	1,203	**396**	393	1,203
Prepayments		**705**	1,261	10	**674**	597	—
		67,856	79,231	149,617	**91,738**	105,570	120,859

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.

(a) Trade receivables

Trade receivables relate to the transfer of the profits of AMA to the Group (see note 21(b)) 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.

(b) Other receivables

	The Group		The Company	
	2012 HK$'000	2011 HK$'000	**2012 HK$'000**	2011 HK$'000
Other receivables	**88,640**	26,800	**26,800**	26,800
Less: Impairment loss	**(25,300)**	(26,800)	**(26,800)**	(26,800)
	63,340	—	**—**	—

Movements of provision for impairment losses on other receivable are analysed as follows:

	The Group and the Company	
	2012 HK$'000	2011 HK$'000
At 1 April	**26,800**	28,800
Reversal of impairment loss	**(1,500)**	(2,000)
At 31 March	**25,300**	26,800

Reversal of impairment loss represented the amount recovered by the Company.

22 TRADE AND OTHER RECEIVABLES (continued)

(c) Due from an associate

The amount due is unsecured, non-interest-bearing and repayable on demand.

(d) Due from subsidiaries

	The Company	
	2012 HK$'000	2011 HK$'000
Due from subsidiaries	**95,339**	109,250
Less: Impairment loss	**(4,684)**	(4,684)
	90,655	104,566

The amounts due are unsecured, non-interest-bearing and repayable on demand.

An impairment loss of HK$4,684,000 (2011: HK$4,684,000) was recognised based upon the directors' estimation on the recoverable amount of the amounts due from subsidiaries.

23 TRADE AND OTHER PAYABLES

		The Group			The Company		
	Note	**31.3.2012 HK$'000**	31.3.2011 HK$'000	1.4.2010 HK$'000	**31.3.2012 HK$'000**	31.3.2011 HK$'000	1.4.2010 HK$'000
Trade payables	(a)	**894**	853	853	**—**	—	—
Accruals and other payables	(b)	**103,678**	104,002	104,086	**844**	1,551	1,635
Due to related companies	(c)	**1,576**	1,576	3,109	**1,417**	1,417	1,417
Due to subsidiaries	(c)	**—**	—	—	**183,399**	180,368	152,867
Financial liabilities measured at amortised cost		**106,148**	106,431	108,048	**185,660**	183,336	155,919

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

23 TRADE AND OTHER PAYABLES (continued)

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

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

(b) Included in Group's accruals and other payables as at 31 March 2012 was the entitlement of the 20% share of profits from AMA payable to Mr. Albino amounting to HK$102,439,000 (2011: HK$102,439,000) (see note 21(b)).

(c) The amounts due to related companies and subsidiaries are unsecured, non-interest-bearing and repayable on demand.

24 PROMISSORY NOTES

	The Group and the Company	
	2012 HK$'000	2011 HK$'000
At 1 April	**135,568**	226,726
Add: Effective interest on promissory notes (see note 7)	**9,489**	11,149
Less: Off-set against loans receivable waived (#)	**—**	(102,307)
At 31 March	**145,057**	135,568

\# The loans of HK$55,000,000 due from holders of promissory notes and the accrued loan interest of HK$4,990,000 were fully off-set against the promissory notes payable of HK$102,307,000. The resulting gain of HK$42,317,000 was recognised as other income in profit or loss for the year ended 31 March 2011 (see note 6).

In 2006, the Company issued promissory notes to directors of Greek Mythology and certain independent third parties with a total face value of approximately HK$1,454,722,000 as part of the consideration for the acquisition of the 30% equity interest in Greek Mythology. The promissory notes are unsecured, non-interest-bearing and repayable on 27 March 2016.

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 profit or loss.

25 CAPITAL AND RESERVES

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

	Share capital HK$'000	Share premium HK$'000	Contributed surplus HK$'000	Capital reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 April 2010	38,060	279,632	2,285,052	9,705	(2,321,894)	290,555
Total comprehensive income for the year, as restated	–	–	–	–	519,268	519,268
Shares issued for acquisition of a subsidiary	3,087	40,744	–	–	–	43,831
Equity-settled share-based transaction	–	–	–	1,096	–	1,096
Shares issued under employee share options scheme	380	3,784	–	(1,010)	–	3,154
Share options forfeited	–	–	–	(3,214)	3,214	–
	3,467	44,528	–	(3,128)	3,214	48,081
At 31 March 2011 and at 1 April 2011, as restated	41,527	324,160	2,285,052	6,577	(1,799,412)	857,904
Total comprehensive income for the year	–	–	–	–	132,895	132,895
Share options forfeited	–	–	–	(352)	352	–
At 31 March 2012	41,527	324,160	2,285,052	6,225	(1,666,165)	990,799

25 CAPITAL AND RESERVES (continued)

(b) Share capital

	Note	2012 Number of shares '000	2012 Amount HK$'000	2011 Number of shares '000	2011 Amount HK$'000
Authorised:					
8,000,000,000 (2011: 8,000,000,000) ordinary shares of HK$0.01 each		**8,000,000**	**80,000**	8,000,000	80,000
Issued and fully paid:					
At 1 April		**4,152,656**	**41,527**	3,805,989	38,060
Shares issued for acquisition of a subsidiary	30(a)	**–**	**–**	308,667	3,087
Shares issued under employee share options scheme	26(b)	**–**	**–**	38,000	380
At 31 March		**4,152,656**	**41,527**	4,152,656	41,527

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(c) Nature and purpose of reserves

(i) Share premium

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

(ii) Special reserve

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

(iii) Contributed surplus

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

25 CAPITAL AND RESERVES (continued)

(c) Nature and purpose of reserves (continued)

(iv) Capital reserve

The capital reserve comprises the grant date fair value of the unexercised share options granted to employees of the Company recognised in accordance with the accounting policy set out in note 2(p)(ii).

(v) Exchange reserve

The exchange reserve comprises all foreign exchange differences on translation of the financial statements of foreign operations. The reserve is dealt with in accordance with accounting policy set out in note 2(t).

(d) Distributable reserves

As at 31 March 2012, the aggregate amount of reserves of the Company available for distribution to owners of the Company amounted to HK$618,887,000 (2011: HK$485,640,000 (restated)) subject to the restrictions stated above.

(e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders by pricing the services commensurately with the level of risk and by securing access to finance at a reasonable cost.

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

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

During 2012, the Group's strategy was to maintain a net debt-to-capital ratio of no more than 50%. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, issue new shares or return capital to shareholders, raise new debt financing or sell assets to reduce debt.

25 CAPITAL AND RESERVES (continued)

(e) Capital management (continued)

The net debt-to-capital ratio as at 31 March 2012 and 2011 is as follow:

	The Group		The Company	
	2012 HK$'000	2011 HK$'000 (restated)	**2012 HK$'000**	2011 HK$'000 (restated)
Current liabilities:				
— Trade and other payables	**106,148**	106,431	**185,660**	183,336
Non-current liabilities:				
— Promissory notes	**145,057**	135,568	**145,057**	135,568
Total debt	**251,205**	241,999	**330,717**	318,904
Less: Cash and cash equivalents	**(28,434)**	(32,026)	**(8,803)**	(9,301)
Net debt	**222,771**	209,973	**321,914**	309,603
Total equity	**1,058,992**	896,047	**990,799**	857,904
Adjusted net debt-to-capital ratio	**21%**	23%	**33%**	36%

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

26 SHARE OPTION SCHEME

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

The total number of shares in respect of which options may be granted under the scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders.

26 SHARE OPTION SCHEME (continued)

(a) The terms and conditions of the grants that existed during the year are as follows, whereby all options are settled by the 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	2,200,000	Immediately vested	10 years
— on 28 January 2008	0.7360	1,650,000	One year from the date of grant	10 years
— on 28 January 2008	0.7360	1,650,000	Two years from the date of grant	10 years
— on 23 April 2009	0.1930	3,000,000	One year from the date of grant	10 years
— on 12 May 2009	0.2290	5,100,000	One year from the date of grant	10 years
		13,600,000		
Options granted to employees:				
— on 28 January 2008	0.7360	3,600,000	Immediately vested	10 years
— on 28 January 2008	0.7360	2,700,000	One year from the date of grant	10 years
— on 28 January 2008	0.7360	2,700,000	Two years from the date of grant	10 years
		9,000,000		
Total shares issuable upon options granted		22,600,000		

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

	2012 Weighted average exercise price HK$	2012 Number of shares issuable under options granted '000	2011 Weighted average exercise price HK$	2011 Number of shares issuable under options granted '000
Outstanding at 1 April	**0.5164**	**25,200**	0.3485	48,000
Forfeited during the year	**0.2290**	**(2,600)**	0.3082	(22,800)
Exercised during the year	**—**	**—**	0.0830	(38,000)
Granted during the year	**—**	**—**	0.0830	38,000
Outstanding at 31 March	**0.5495**	**22,600**	0.5164	25,200
Exercisable at 31 March	**0.5495**	**22,600**	0.5164	25,200

(Expressed in Hong Kong dollars)

26 SHARE OPTION SCHEME (continued)

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

The weighted average share price at the date of exercise for share options exercised during the year ended 31 March 2011 was HK$0.1380.

The options outstanding at 31 March 2012 had an exercise price of HK$0.1930 to HK$0.7360 (2011: HK$0.1930 to HK$0.7360) and a weighted average remaining contractual life of 3.5 years (2011: 4.5 years).

(c) Fair value of share options and assumptions

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

			Date of grant		
	28 January 2008	20 October 2008	23 April 2009	12 May 2009	13 August 2010
Fair value of share options and assumptions					
Fair value at measurement date	HK$0.3581	HK$0.0492	HK$0.1141	HK$0.1354	HK$0.0265
Share price	HK$0.7000	HK$0.115	HK$0.1930	HK$0.229	HK$0.081
Exercise price	HK$0.7360	HK$0.1332	HK$0.1930	HK$0.229	HK$0.083
Expected volatility (expressed as weighted average volatility used in the modeling under the Binominal Option Pricing Model)	105.76%	120.90%	130.29%	131.31%	44.42%
Option life (expressed as weighted average life used in the modeling under the Binomial Option Pricing Model)	1.89 years	1.03 years	1 year	1 year	0.5 year
Expected dividends	0%	0%	0%	0%	0%
Risk-free interest rate (based on government bonds/exchange fund notes)	2.505%	2.634%	2.123%	2.189%	2.068%

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

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

27 FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and foreign currency, risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described as below.

(a) Credit risk

As at 31 March 2012, the Group's credit risk was primarily attributable to amount due from an associate, other receivables and cash and cash equivalents. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

In respect of amount due from an associate, the Group may suffer financial losses if the associate defaults in setting the balance. However, the directors consider this balance is fully recoverable.

Substantially, all the Group's cash and cash equivalents are deposited in the banks in Hong Kong. The credit risk on bank balances is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 22.

(b) Liquidity risk

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

27 FINANCIAL INSTRUMENTS (continued)

(b) Liquidity risk (continued)

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

(i) The Group

	2012				
	Carrying amount HK$'000	**Total contractual undiscounted cash flow HK$'000**	**Within 1 year or on demand HK$'000**	**More than 1 year but less than 2 years HK$'000**	**More than 2 years but less than 5 years HK$'000**
Promissory notes	**145,057**	**189,998**	**10,153**	**10,864**	**168,981**
Trade and other payables	**106,148**	**106,148**	**106,148**	**—**	**—**
	251,205	**296,146**	**116,301**	**10,864**	**168,981**

	2011				
	Carrying amount HK$'000	Total contractual undiscounted cash flow HK$'000	Within 1 year or on demand HK$'000	More than 1 year but less than 2 years HK$'000	More than 2 years but less than 5 years HK$'000
Promissory notes	135,568	189,998	9,489	10,153	170,356
Trade and other payables	106,431	106,431	106,431	—	—
	241,999	296,429	115,920	10,153	170,356

27 FINANCIAL INSTRUMENTS (continued)

(b) Liquidity risk (continued)

(ii) The Company

	2012				
	Carrying amount HK$'000	Total contractual undiscounted cash flow HK$'000	Within 1 year or on demand HK$'000	More than 1 year but less than 2 years HK$'000	More than 2 years but less than 5 years HK$'000
Promissory notes	145,057	189,998	10,153	10,864	168,981
Trade and other payables	2,261	2,261	2,261	—	—
Amounts due to subsidiaries	183,399	183,399	183,399	—	—
	330,717	375,658	195,813	10,864	168,981

	2011				
	Carrying amount HK$'000	Total contractual undiscounted cash flow HK$'000	Within 1 year or on demand HK$'000	More than 1 year but less than 2 years HK$'000	More than 2 years but less than 5 years HK$'000
Promissory notes	135,568	189,998	9,489	10,153	170,356
Trade and other payables	2,968	2,968	2,968	—	—
Amounts due to subsidiaries	180,368	180,368	180,368	—	—
	318,904	373,334	192,825	10,153	170,356

(c) Interest rate risk

The Group's interest rate risk arises primarily from promissory notes. The interest rates and terms of repayment of the promissory notes of the Group are disclosed in note 24. The promissory notes issued is at fixed interest rate which expose the Group to fair value interest rate risk. The Group does not expect any significant changes in fixed interest rate which might materially affect the Group's results of operations.

27 FINANCIAL INSTRUMENTS (continued)

(d) Foreign currency risk

The Group is not exposed to significant currency risk as most income and expenses are denominated in the functional currency of the operations to which they relate.

(e) Fair values

All financial instruments are carried at amounts not materially different from their fair values as at 31 March 2012 and 2011 except for the available-for-sale financial asset. The following table presents the carrying value of financial instruments measured at fair value at the end of the reporting period across the three levels of the fair value hierarchy defined in HKFRS 7, "Financial Instruments: Disclosures", with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

- Level 1 (highest level): fair values measured using quoted prices (unadjusted) in active markets for identical financial instruments.

- Level 2: fair values measured using quoted prices in active markets for similar financial instruments, or using valuation techniques in which all significant inputs are directly or indirectly based on observable market data.

- Level 3 (lowest level): fair values measured using valuation techniques in which any significant input is not based on observable market data.

	2012							
	The Group				**The Company**			
	Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
	HK$'000	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**
Available-for-sale financial asset	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

	2011							
	The Group				The Company			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Available-for-sale financial asset	–	30,936	–	30,936	–	–	–	–

During the year, there were no transfers between instruments in Level 1 and Level 2.

28 OPERATING LEASE COMMITMENTS

At 31 March 2012, the total future minimum lease payments payable under non-cancellable operating leases are as follows:

	The Group and the Company	
	2012 **HK$'000**	2011 HK$'000
Within one year	**1,481**	1,125
In the second to fifth year	**916**	1,969
	2,397	3,094

The Company is the lessee of a number of properties held under operating leases. The leases typically run for an initial period of 1–2 years. The leases do not include extension options. None of the leases includes contingent rentals.

29 MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 10 and certain of the highest paid employees as disclosed in note 11 is as follows:

	The Group	
	2012 **HK$'000**	2011 HK$'000
Salaries and other short-term employee benefits	**6,185**	6,420
Retirement scheme contributions	**327**	69
	6,512	6,489

Total remuneration is included in "Staff costs" (see note 8(a)).

(b) Other material related party transactions

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

	The Group	
	2012 **HK$'000**	2011 HK$'000
Fixed monthly income from investments in gaming tables and slot machines related operations from Greek Mythology	**4,800**	2,400

Balances with related parties are disclosed in the statements of financial position and in notes 22 and 23.

30 ACQUISITION OF SUBSIDIARIES

(a) On 30 September 2010, the Group entered into an agreement with an independent third party (the "Vendor") to acquire 100% equity interest in Le Rainbow China Limited which, at the time of completion of the acquisition, held 60% equity interest in Nanning Inter-Joy, at a consideration of HK$42,000,000, satisfied by the issue of the Company's ordinary shares in 2 tranches. The first tranche of 51,480,000 ordinary shares was issued in December 2010 at a price of HK$0.137 per share.

On 2 February 2011, the Group entered into a supplemental agreement with the Vendor to amend certain terms of the acquisition, whereby the Group should issue the second tranche of 257,186,000 ordinary shares earlier at a price of HK$0.143 and the Vendor paid HK$23,800,000 to Le Rainbow China Limited as consideration. Out of HK$23,800,000, HK$3,343,000 was to be applied as the Group's additional capital injection to Nanning Inter-Joy. The other shareholder of Nanning Inter-Joy also made additional capital injection of HK$1,157,000 into Nanning Inter-Joy.

The early issue of the second tranche of shares were on the condition that:

— the Vendor is to be released from the obligation to obtain the approval by the Guangxi Public Welfare Lottery Issue Centre for the renewal of the licence of providing services to the Guangxi Public Welfare Lottery Issue Centre for at least three years from 5 July 2013; and

— the condition for the average of the closing prices of the shares of the Company for any five consecutive trading days be HK$0.216 per share or higher be waived.

The number of directors of Nanning Inter-Joy has been increased from 3 to 5 upon the completion of total capital injection of HK$4,500,000 to Nanning Inter-Joy. The Group is entitled to appoint 3 out of 5 directors of Nanning Inter-Joy.

As at 31 March 2011, the additional capital of HK$4,500,000 was not yet injected into Nanning Inter-Joy and, therefore, the Group was not in a position to control a majority of the directors of Nanning Inter-Joy. Accordingly, Nanning Inter-Joy was regarded as an associate and its results were accounted for in the consolidated financial statements for the year ended 31 March 2011 using the equity method.

Consideration transferred:

	HK$'000
Issue of shares	43,831
Cash paid by the Vendor for reduction of consideration	(22,643)
Net	21,188

Acquisition related costs amounting to HK$307,000 was excluded from the cost of acquisition and have been recognised as an expense, within the general and administrative expenses in the consolidated income statement for the year ended 31 March 2011.

30 ACQUISITION OF SUBSIDIARIES (continued)

(a) (continued)

Assets acquired and liabilities recognised at the date of acquisition are as follows:

	HK$'000
Fair value of net assets acquired — interest in an associate	2,879

Goodwill arising on acquisition:

	HK$'000
Net consideration transferred	21,188
Less: fair value of net assets acquired	(2,879)
Goodwill arising on acquisition (see note 18)	18,309

Net cash inflow on acquisition of a subsidiary:

	HK$'000
Cash consideration paid	—
Cash paid by the vendor for the reduction of consideration	22,643
Cash and cash equivalent balances acquired	—
Net cash inflow	22,643

Le Rainbow China Limited contributed HK$1,000 and HK$279,000 to the revenue and loss respectively for the period between the date of acquisition and 31 March 2011.

Had this acquisition been effected on 1 April 2010, Le Rainbow China Limited would have contributed HK$2,000 to the revenue and loss of HK$400,000 for the year ended 31 March 2011. This proforma information is for illustrative purposes only and is not necessary an indication of revenue and results of operation of the Group that actually would have been achieved had the acquisition been completed on 1 April 2010, nor is intended to be a projection of future results.

30 ACQUISITION OF SUBSIDIARIES (continued)

(b) On 30 May 2011, the capital injection of HK$4,500,000, as mentioned in 30(a), was completed. Accordingly, the Group is in a position to control a majority of the directors of Nanning Inter-Joy which has since then become a subsidiary of the Group. As a result of this capital injection, the Group's equity interest in Nanning Inter-Joy was increased from 60% to 70%.

Assets acquired and liabilities recognised at the date of acquisition are as follows:

	HK$'000
Property, plant and equipment	762
Trade and other receivables	740
Cash and cash equivalents	4,691
Trade and other payables	(707)
	5,486
Non-controlling interests	(1,646)
	3,840
Consideration:	
Capital injection to Nanning Inter-Joy	3,343
Fair value of 60% equity interest held before	497
Total consideration	3,840

	HK$'000
Cash inflow on acquisition of a subsidiary:	
Capital injection to Nanning Inter-Joy	(3,343)
Cash and cash equivalents balance acquired	4,691
Net cash inflow	1,348

Nanning Inter-Joy contributed HK$121,000 and HK$3,856,000 to the revenue and loss respectively for the period between the date of acquisition and 31 March 2012.

Had this acquisition been effected on 1 April 2011, Nanning Inter-Joy would have contributed HK$122,000 to the revenue and loss of HK$4,040,000 for the year ended 31 March 2012. This proforma information is for illustration purpose only and is not necessary an indication of revenue and results of operation of the Group that actually would have been achieved had the acquisition been completed on 1 April 2011, nor is intended to be a projection of future results.

31 ACCOUNTING ESTIMATES AND JUDGEMENTS

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

(a) Going concern assumption in the preparation of the consolidated financial statements

Details of assumptions adopted by the directors of the Company for adopting the going concern basis in preparing the consolidated financial statements for the year ended 31 March 2012 are set out in note 2(b).

(b) Impairments

In considering the impairment loss that may be required for certain property, plant and equipment, intangible assets, goodwill, investments in subsidiaries, interests in associates and available-for-sale financial asset, recoverable amount of the asset needs to be determined. The recoverable amount is the greater of its fair value less costs to sell and the value in use.

It is difficult to precisely estimate its fair value less costs to sell because quoted market prices for these assets may not be readily available. In determining the value in use, expected cash flows generated by the asset are discounted to their present value, which requires significant judgement relating to items such as level of revenue and amount of operating costs. The Group uses all readily available information in determining an amount that is reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections of items such as turnover and operating costs.

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

An increase or decrease in the above impairment loss would affect the operating results in the year and in future years.

(c) Useful lives of property, plant and equipment

The Group determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to severe industry activities. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

31 ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(d) Amortisation of intangible assets

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

Five-Year Financial Summary

RESULTS

	Year ended 31 March				
	2012 **HK$'000**	2011 HK$'000 (restated)	2010 HK$'000	2009 HK$'000	2008 HK$'000
TURNOVER					
Continuing operations	**4,921**	4,860	5,551	416,094	157,319
Discontinued operations	**—**	—	—	25,170	56,511
	4,921	4,860	5,551	441,264	213,830
PROFIT/(LOSS) BEFORE TAXATION					
Continuing operations	**161,092**	555,334	(2,477,499)	48,465	(1,298,014)
Discontinued operations	**—**	—	—	30,325	6,307
	161,092	555,334	(2,477,499)	78,790	(1,291,707)
INCOME TAX					
Continuing operations	**—**	—	—	—	7
Discontinued operations	**—**	—	—	—	—
	—	—	—	—	7
PROFIT/(LOSS) FOR THE YEAR					
Continuing operations	**161,092**	555,334	(2,477,499)	48,465	(1,298,007)
Discontinued operations	**—**	—	—	30,325	6,307
	161,092	555,334	(2,477,499)	78,790	(1,291,700)

ASSETS AND LIABILITIES

	At 31 March				
	2012 **HK$'000**	2011 HK$'000 (restated)	2010 HK$'000	2009 HK$'000	2008 HK$'000
TOTAL ASSETS	**1,310,197**	1,138,046	632,406	3,724,623	6,588,873
TOTAL LIABILITIES	**(251,205)**	(241,999)	(339,774)	(1,053,231)	(945,215)
SHAREHOLDERS' FUNDS	**1,058,992**	896,047	292,632	2,671,392	5,643,658

Property Information

INVESTMENT PROPERTIES

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