AMAX
Holdings Limited

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

Annual Report 2013

Contents

Corporate Information

BOARD OF DIRECTORS

Executive

Mr. Ng Man Sun *(Chairman and Chief Executive Officer)*
Ms. Ng Wai Yee

Independent Non-executive

Ms. Yeung Pui Han, Regina
Ms. Sie Nien Che, Celia
Mr. Li Chi Fai

AUDIT COMMITTEE

Mr. Li Chi Fai *(Chairman)*
Ms. Yeung Pui Han, Regina
Ms. Sie Nien Che, Celia

REMUNERATION COMMITTEE

Ms. Yeung Pui Han, Regina *(Chairman)*
Ms. Ng Wai Yee
Ms. Sie Nien Che, Celia

NOMINATION COMMITTEE

Mr. Ng Man Sun *(Chairman)*
Ms. Yeung Pui Han, Regina
Ms. Sie Nien Che, Celia

COMPANY SECRETARY

Ms. Man Oi Yuk, Yvonne

AUDITOR

CCIF CPA Limited

LEGAL ADVISER

Robert C. C. Ip & Co

INVESTOR RELATIONS CONSULTANT

Cornerstones Communications Ltd.

STOCK CODE

959

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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

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China Hong Kong City,
33 Canton Road,
Tsim Sha Tsui, Kowloon,
Hong Kong

Chairman's Statement

Dear Shareholders,

On behalf of the Board of Directors of Amax Holdings Limited ("Amax" or the "Company"; stock code: 959) and its subsidiaries (the "Group"), I present herewith the audited consolidated annual results for the year ended 31 March 2013 ("the year under review").

The financial year of 2013 was a challenging year for the Group. Externally, the gaming and entertainment sector in the region was impacted by the lingering economic uncertainties. Internally, the Group was adversely affected by a series of unforeseeable and unfortunate events originated in the past few years, such as the cessation of junket operation which led to a huge sum of bad debts; the controversy between Amax and Greek Mythology (Macau) Entertainment Group Corporation Limited ("Greek Mythology", an associate of the Group which operates and manages Greek Mythology Casino and in which the Group owns 24.8% equity interest), as well as the changes of directors and management.

During the year under review, the loss of the Group was approximately HK$39.3 million compared to a net profit of HK$161 million for the corresponding period in 2012, which was mainly attributable to the relevant financial information for the year under review of Greek Mythology, the Group's associate, was not incorporated into the annual consolidated financial statements.

NEW MANAGEMENT TEAM TO DRIVE BUSINESS

During the year under review, the Group has taken proactive measures to improve its business operations and restore internal stability. The Group's management has undergone structural changes with the removal of senior management and board of directors. The new management team will work closely together to sustain and stabilize our business and look for potential opportunities for future growth.

CONTINUOUS NEGOTIATIONS WITH GREEK MYTHOLOGY

Greek Mythology is a significant investment of the Group. During the year under review, we have been taking proactive actions to maintain close communications with the management of Greek Mythology. We hope that through ongoing negotiations with Greek Mythology, a mutual agreement could be reached in the end.

EYEING INVESTMENT OPPORTUNITIES

Apart from Asia, we will keep an eye on gaming and entertainment development in other regions all over the world where and when opportunities arise. Our proposed acquisition of the right to operate a casino project in Turkish Republic of Northern Cyprus ("TRNC") is aimed to diversify our income stream and expand our gaming business. The legalization of the gaming industry in TRNC coupled with the country's favorable policies will help promote the industry. We will capitalize on these growing opportunities in order to strengthen our gaming position in TRNC.

Looking forward, the Group will continue to seek global investment opportunities that will enable us to diversify revenue streams and maximize returns for our shareholders.

WORDS OF APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my heartfelt appreciation to the management team and staff of the Group for their contributions in the past year. I would like to express my deepest gratitude to our shareholders, customers and business partners for their ongoing support of the Group.

The Group fully understands the impact of the events occurred in the past years and the challenges ahead to bring the business back to a profitable position. The management team and myself are ready to face the challenges and lead the Company through the turbulence. I look forward to creating success in our new investments and turning them into our new growth drivers to bring fruitful returns to our investors and shareholders.

Ng Man Sun
Chairman
Hong Kong, 28 June 2013

Management Discussion and Analysis

The board (the "Board") of directors (the "Directors") of Amax Holdings Limited (the "Company") reports the audited consolidated annual results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2013 (the "year under review"). The audited annual results have been reviewed by the Audit Committee of the Company.

FINANCIAL REVIEW

The Group is principally engaged in investments in gaming and entertainment related business. During the year ended 31 March 2013, the Group recorded a loss of approximately HK$39.3 million, as compared to a net profit of approximately HK$161.1 million for the corresponding period last year. The loss was mainly due to the fact that relevant financial information of Greek Mythology (Macau) Entertainment Group Corporation Limited ("Greek Mythology", an associate of the Group which operates and manages Greek Mythology Casino and in which the Group owns 24.8% equity interest) for the year under review was not made available to the Company up to the date of this report. As a result, the aforesaid information was not incorporated in the annual consolidated financial statements.

Other investments of the Group include Nanning Inter-Joy LOTTO Information Service Co. Ltd. ("LE-Guangxi"), a subsidiary of the Company which is primarily engaged in distributing a proprietary electronic lottery sales system in Guangxi, China. During the year under review, commission income from the provision of service to Guangxi Public Welfare Lottery Issue Centre amounted to HK$694,000, as compared to HK$121,000 for the corresponding period last year.

During the year under review, the Group registered a turnover of approximately HK$5.49 million, as compared to HK$4.92 million for the corresponding period last year.

The Group also owns some retail shops as investment properties. During the year under review, net contribution from these operations was approximately HK$152,000 (2012: HK$228,000).

The Group has been proactively identifying opportunities to diversify its business and expand its income sources. The Group is well-positioned to take advantages of its experience in gaming and entertainment to develop business beyond Macau. On 28 June 2013, the Group announced its plan on a potential acquisition of the right to operate a casino project in TRNC which is the first step for the Group to accomplish its visions.

At a special general meeting held on 27 March 2013, shareholders of the Company approved the implementation of share consolidation on the basis that every 20 shares in the issued and unissued share capital of the Company will be consolidated into one share. The Company believes that the move will reduce transaction costs and enable the Company to maintain a quality shareholder base.

On 4 June 2013, the Company entered into a placing agreement with a placing agent to place up to 9.6 million of new shares at a price of HK$0.83 per placing share. The new shares represent approximately 4.62% of the issued share capital of the Company as of 4 June 2013 and approximately 4.42% of the existing issued share capital as enlarged by the allotment and issue of the placing shares.

BUSINESS OVERVIEW

Greek Mythology

The Group owns 24.8% equity interest in Greek Mythology, which currently has approximately 20 VIP gaming rooms and a gaming floor targeting the mid-range to high-end market customers from Mainland China and other Asian regions. During the year under review, Greek Mythology terminated the operating rights of 40 gaming tables in Greek Mythology Casino and returned them to SJM Holdings Limited ("SJM") with effect from 13 August 2012. To the best knowledge of the Board, the 40 gaming tables returned to SJM accounted for approximately 33% of the total number of gaming tables in Greek Mythology, thus would impact the financial performance of the associate.

As Greek Mythology is a significant investment of the Group, the new management of the Group is taking proactive actions to strengthen communication with the management of Greek Mythology in order to address and resolve the controversy.

LE-Guangxi

Through Le Rainbow China Limited, the Group currently holds 78% beneficial equity interest in LE-Guangxi. As a lottery related service company in cooperation with the Welfare Lottery authority of Guangxi, LE-Guangxi's operation is primarily engaged in distributing a proprietary electronic lottery sales system for its sales providers, and self-operated lottery parlors aimed at high-end players at Guangxi province.

Post-reporting period acquisition plans

Leveraging its experience in the gaming and entertainment industry, the Group announced the proposed acquisition of the right to operate a casino project in TRNC. On 28 June 2013, Amax entered into a non-legally binding letter of intent to acquire 51% interest of Southern Ruby Limited, which has entered into two memorandums of understanding to obtain an exclusive right to set up and operate a casino located in the Lara Park Hotel, Girne, TRNC and to acquire 10% of the Lara Park Hotel. With majority of casinos located in the northern Turkish-controlled region, Cyprus is a cross-continental gateway and a blooming tourist destination for high-end travelers from Europe, Asia and Africa. The proposed acquisition will enable the Group to take the first-mover advantages and tap into the gaming and entertainment potential of the Mediterranean market.

Changes of directors

At a special general meeting held on 12 September 2012, it was resolved by ordinary resolutions that Mr. Cheung Nam Chung, Mr. Ng Chi Keung, Ms. Li Wing Sze, Mr. Lau Dicky, Mr. Lei Kam Chao, Ms. Deng Xiaomei, Mr. Yoshida Tsuyoshi and Mr. Cheng Kai Tai, Allen were removed as directors of the Company and Mr. Ng Man Sun, Ms. Ng Wai Yee, Ms. Yeung Pui Han, Regina, Mr. Li Li Tang, Dr. Chow Ho Wan, Owen were elected as directors of the Company.

Earlier this year, in February, Ms. Sie Nien Che, Celia and Mr. Li Chi Fai were appointed as independent non-executive directors and members of Audit Committee of the Company. In March, Dr. Chow Ho Wan, Owen tendered his resignation as independent non-executive director and chairman and member of Audit Committee of the Company for the reason that he wanted to put more time to focus on his own business. At a special general meeting held on 27 March 2013, shareholders of the Company approved the removal of Dr. Dingjie Wu and Mr. Li Li Tang from the office of independent non-executive director with effect immediately after the conclusion of that meeting.

Currently, Mr. Ng Man Sun, Ms. Ng Wai Yee, Mr. Li Chi Fai, Ms. Yeung Pui Han, Regina and Ms. Sie Nien Che, Celia are the members of the Board. The Board is confident that its directors will continue to work towards a common goal and vision for the best interest of the Group and its shareholders.

Appointment of new auditor

At a special general meeting held on 27 March 2013, shareholders of the Company approved the appointment of CCIF CPA Limited as the new auditor of the Company.

PROSPECTS AND OUTLOOK

Looking forward, the property market of the United States, the debt crisis in Europe, the economic growth rate of the PRC and the currency policy of Japan are the dominant factors affecting the global economic environment. The Group believes that it would be another challenging year ahead given the unstable and uncertain economic condition.

Leveraging the extensive experience gained from operation in Macau, the Group will seek to branch out its gaming and entertainment investments beyond Macau. With the proposed acquisition of the right to operate the casino project in TRNC, the Group will gradually extend its foothold in the gaming and entertainment industry in other parts of the world.

The Group's strategy is to develop into an investment holding company with multiple stable income sources to avoid overdepending on a single line of business. The Group will seek to diversify its investment portfolio when it identifies any good business opportunities.

During the year under review, the Group has gone through a challenging period in terms of internal structural changes and dealing with its associate. The Group has taken necessary actions to address and resolve the issues. We see challenges together with opportunities ahead and remain confident and optimistic about our business prospects. Looking forward, the Group will redirect its focus back onto business development and maximizing returns for its shareholders.

Corporate Governance Report

Amax Holdings Limited (the "Company") continues to commit itself to maintaining a high standard of corporate governance with emphases on enhancing transparency and accountability and assuring of good application of practices and procedures within the Company and its subsidiaries (the "Group") and enhancing performance thereby, augmenting shareholders' value and benefiting our stakeholders at large.

CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles of, and complied with all applicable code provisions as set out in the Corporate Governance Code (the "CG Code") in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") throughout the year ended 31 March 2013 with the exception of certain deviations as further explained below.

Under code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Mr. Ng Man Sun currently assumes the roles of both the chairman (the "Chairman) of the board (the "Board") of directors (the "Directors") and chief executive officer (the "CEO") of the Company. The Board believes that the roles of Chairman and CEO performed by Mr. Ng Man Sun provide to the Group with strong and consistent leadership and are beneficial to the Group especially in planning and implementing of the Company's business strategies. The Board will regularly review effectiveness of such arrangement.

Code provision A.4.1 of the CG Code provides that non-executive directors should be appointed for a specific term, and subject to re-election.

None of the non-executive directors (the "Non-executive Directors") of the Company, being all existing independent non-executive directors ("Independent Non-executive Directors", or "INEDs") of the Company, is appointed for a specific term. However, all INEDs are subject to retirement by rotation but eligible for re-election at least once every three years at annual general meeting (the "AGM") 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.

Under code provision A.5.1 of the CG Code, issuers should establish a nomination committee which is chaired by the chairman of the board or an independent non-executive director and comprises a majority of independent non-executive directors.

Following the removal of Mr. Li Li Tang ("Mr Li") as an INED of the Company on 27 March 2013, Mr. Li ceased to be a member of the nomination committee (the "Nomination Committee") of the Company. As a result, the number of INED of the Nomination Committee had fallen below the majority requirement under code provision A.5.1. On 11 April 2013, following the appointment of Ms. Sie Nien Che, Celia, being an INED, the Company has complied with the majority requirement of nomination committee members under the CG Code.

The Company periodically reviews its corporate governance practices and policy to ensure that they continue to meet the requirements of the CG Code, and acknowledges the important role of the Board in providing effective leadership and direction to the Company's business, and ensuring transparency and accountability of the Company's operations.

As such, the Company considers that sufficient measures have been in place to ensure that the Company's corporate governance practices and policy are no less exacting than the code provisions.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its code of conduct for securities transactions by the Directors and has adopted written guidelines no less exacting than the Model Code for the relevant employees in respect of their dealings in the Company's securities.

Having made specific enquiries of all Directors, all Directors confirm that they have complied with the required standard as stated in the Model Code regarding securities transactions throughout the year ended 31 March 2013.

BOARD OF DIRECTORS

Responsibilities

The Board, led by the Chairman, Mr. Ng Man Sun, provides leadership, devises and approves policies, strategies and plans, and oversees their implementation to further the healthy growth of the Company in the interests of its shareholders. The day-to-day management, administration and operations of the Company and implementation of the Board's decisions are delegated to CEO and Executive Directors (as defined below).

Board Composition

The Board currently consists of five members, including two executive directors (the "Executive Directors"), namely Mr. Ng Man Sun (the Chairman and CEO) and Ms. Ng Wai Yee; and three INEDs, namely Ms. Yeung Pui Han, Regina, Ms. Sie Nien Che, Celia and Mr. Li Chi Fai.

Except that Ms. Ng Wai Yee is the daughter of Mr. Ng Man Sun, to the best knowledge of the Board, there is no financial, business, family or other material/relevant relationship between each Board member.

Chairman and Chief Executive Officer

The roles and responsibilities respectively of the Chairman and CEO are clearly defined and set out in writing, and are now both exercised by Mr. Ng Man Sun.

The Chairman provides leadership and is responsible for effective functioning of the Board in accordance with good corporate governance practices and standard. With the full support of the management of the Company, the Chairman is principally responsible for determining the overall strategy and corporate development and ensuring the business operations are properly monitored.

The CEO, with the full support of the management of the Company, 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.

The functions reserved to the Board and those delegated to the management have been formalized in writing and are periodically reviewed by the Board to ensure that they remain appropriate to the Company's needs.

Independence of Non-Executive Directors

Composition of the INEDs reflects the necessary balance of skills and varied business experiences of different geographical regions and independence in their decision making for effective and constructive contribution to the Board for governance of the Company. The Board currently has three INEDs representing more than one third of the Board and one of them possessing appropriate professional qualification in accounting or related financial management expertise.

The Company has received written annual confirmation of independence from each INED pursuant to Rule 3.13 of the Listing Rules. The Company considers all INEDs to be independent in accordance with the independence guidelines set out in the Listing Rules.

Board Meetings

All Directors have full and timely access to the management for any information to enable them to make informed decisions, as well as the advice and services of the company secretary of the Company (the "Company Secretary") with a view of ensuring that Board procedures and all applicable rules and regulations are followed. The Board has agreed procedures to enable each Director to seek independent professional advice in appropriate circumstances at the Company's expenses.

Each Director has given sufficient time and attention to the affairs of the Company. Owing to the Chairman's encouragement to the Directors to make full and active contribution to the affairs of the Board, a culture of openness and debate is developing among the Directors to ensure Board decisions fairly reflected consensus. Thirteen Board meetings at approximate quarterly intervals and general meetings of the Company during the year ended 31 March 2013 are set out below:

		Number of meetings attended/ eligible to attend	
Directors		**Board meetings**	**General meetings**
Executive Directors			
Mr. Ng Man Sun (Chairman and CEO)	(elected on 12 September 2012)	6/6	0/2
Ms. Ng Wai Yee	(elected on 12 September 2012)	6/6	2/2
Mr. Cheung Nam Chung (CEO)	(removed on 12 September 2012)	8/8	0/2
Mr. Ng Chi Keung	(removed on 12 September 2012)	8/8	0/2
Ms. Li Wing Sze	(removed on 12 September 2012)	1/8	0/2
Mr. Lau Dicky	(removed on 12 September 2012)	0/8	0/2
Mr. Lei Kam Chao	(appointed on 25 June 2012, removed on 12 September 2012)	1/7	0/2

Directors		Number of meetings attended/ eligible to attend Board meetings	General meetings
Independent Non-Executive Directors			
Ms. Yeung Pui Han, Regina	(elected on 12 September 2012)	6/6	0/2
Mr. Li Chi Fai	(appointed on 22 February 2013)	2/2	1/1
Ms. Sie Nien Che, Celia	(appointed on 22 February 2013)	2/2	0/1
Dr. Wu Dingjie	(removed on 27 March 2013)	8/13	2/3
Mr. Li Li Tang	(elected on 12 September 2012, removed on 27 March 2013)	4/5	0/3
Dr. Chow Ho Wan, Owen	(elected on 12 September 2012, resigned on 6 March 2013)	3/4	0/1
Ms. Deng Xiaomei (Chairman)	(removed on 12 September 2012)	0/8	0/2
Mr. Yoshida Tsuyoshi	(removed on 12 September 2012)	1/8	0/2
Mr. Cheng Kai Tai, Allen	(removed on 12 September 2012)	7/8	0/2

Board meeting schedules and draft agendas of each meeting are made available to the Directors in advance. Notice of each regular Board meeting is served to all Directors at least 14 days before the meeting. For other Board or Board committee meeting, reasonable notice is generally given. Board papers together with all adequate, accurate, appropriate, clear, complete and reliable information are sent to all Directors at least 3 days before each Board meeting or Board committee meeting or promptly upon request by the Directors to keep the Directors apprised of the latest developments and financial position of the Company. With the full support of the management of the Company, such Board papers and materials are provided in a timely manner and in a form and qualify sufficient with appropriate explanation to enable the Board to make informed decisions.

The Company Secretary is responsible for keeping minutes of all Board meetings and Board committee meetings. Draft minutes are normally circulated to the Directors for comments within a reasonable time after each meeting and the final version is open for the Directors' inspection. According to the current Board practices, 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 Director(s) to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Director(s) or any of his/her/their associates have a material interest.

The Company has arranged appropriate insurance cover in respect of possible legal action against their Directors and officers.

Appointment and re-election of Directors

The Company has established formal, considered and transparent procedures for the appointment of the Directors. The Nomination Committee is responsible for considering the suitability of individual to act as a Director and to make recommendations to the Board on appointment or re-election of Directors.

All Directors entered into letters of appointment with the Company without specific term of office. However, their term of office each is the period up to his/her retirement by rotation or retirement, but eligible for re-election at general meetings 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. The Directors shall have power from time to time to appoint any person as a Director either to fill a casual vacancy or, subject to the authorization by shareholders in general meeting, as an addition to the Board. Any Director so appointed shall hold office only until the next following general meeting (in the case of filling a casual vacancy) or until the next following AGM (in the case of an addition to the Board), 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.

Each Director has disclosed to the Company at the time of his/her appointment or election, and in a timely manner of any changes in number of offices held in public companies or organizations and other significant commitments. A list of the Directors identifying their roles and functions is available on the websites of Company and the Stock Exchange (as defined below). The Directors and their biographical details as at the date of this report are set out on pages 26 to 27.

Directors' Training and Continuous Professional Development

Every new Director received a comprehensive, formal and tailored induction at the time of his/her appointment or election, so as to ensure that he/she has appropriate understanding of the operations and business of the Company, and that he/she is fully aware of his/her responsibilities under the Listing Rules and relevant other regulatory requirements and the Company's business and governance policies.

Directors are continually updated on the latest development of the Listing Rules, legal and other regulatory requirements to ensure compliance and upkeep of good corporate governance practice. The Company encourages all Directors to participate in continuous professional development to develop and refresh their knowledge and skill. During the year under review and up to the date of this report, all Directors have provided their records of training they received to the Company for record and a summary of which is as follows:

	Forms of continuous training and professional development (Note)		
Directors			
Executive Directors	A	B	C
Mr. Ng Man Sun	√	√	—
Ms. Ng Wai Yee	√	√	—
Independent Non-executive Directors			
Mr. Li Chi Fai	√	√	√
Ms. Yeung Pui Han, Regina	√	√	—
Ms. Sie Nien Che, Celia	√	√	—

(Note)

A. Reading new/journal/magazine/other reading materials and/or in house training as regard legal and regulatory changes and matters of relevance in the discharge of the duties as a listed company director.

B. Reading memoranda issued or information and materials provided from time to time by the Company regarding the business of the Group, legal and regulatory changes and matters of relevance in the discharge of the duties as a listed company director.

C. Participation in continuous professional training and seminars/conferences/courses/workshops on subjects relating to directors' duties, corporate governance and other matters of relevance.

BOARD COMMITTEES

Three committees, namely audit committee (the "Audit Committee"), remuneration committee (the "Remuneration Committee") and the Nomination Committee were established under the Board to oversee their respective functions set out below, and to report to the Board on their decisions or recommendations. Each committee or each committee member is allowed to obtain independent professional advice and services at the Company's expenses.

Audit Committee

As at 31 March 2013 and up to the date of this report, the Audit Committee comprises three INEDs, namely Mr. Li Chi Fai, Ms. Yeung Pui Han, Regina and Ms. Sie Nien Che, Celia, and is chaired by Mr. Li Chi Fai who has substantial accounting and related financial management expertise.

The main duties of the Audit Committee are to review and monitor and provide supervision over the Company's financial reporting process and internal control system, perform corporate governance duties delegated by the Board and maintain an appropriate relationship with the Company's auditor. The roles and functions of the Audit Committee are clearly set out in terms of reference which are no less exacting than the CG Code and are available on the websites of the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange")

Two Audit Committee meetings were held during the year ended 31 March 2013. The attendances of each Audit Committee member are set out as follows:

		Number of meetings attended/ eligible to attend
Independent Non-Executive Directors		
Ms. Yeung Pui Han, Regina	(elected on 12 September 2012)	1/1
Mr. Li Chi Fai	(appointed on 22 February 2013, re-designated as the chairman of the Audit Committee on 8 March 2013)	0/0
Ms. Sie Nien Che, Celia	(appointed on 22 February 2013)	0/0
Ms. Deng Xiaomei	(removed on 12 September 2012)	0/1
Dr. Wu Dingjie	(removed on 27 March 2013)	2/2
Mr. Li Li Tang	(elected on 12 September 2012, removed on 27 March 2013)	1/1
Dr. Chow Ho Wan, Owen	(elected as the chairman and a member of the Audit Committee on 12 September 2012, resigned on 6 March 2013)	1/1
Mr. Yoshida Tsuyoshi	(removed on 12 September 2012)	0/1
Mr. Cheng Kai Tai, Allen	(removed as the chairman and a member of the Audit Committee on 12 September 2012)	1/1

The major works performed by the Audit Committee during the year and up to the date of this report include the following:

— reviewed the draft audited financial statements of the year under review together with the auditor's report attached thereto and the draft announcement of the annual result for the year of 2013, and the draft unaudited financial statements and announcement of the interim result for the six months ended 30 September 2012.

— discussed with the auditor the nature and scope of the audit and reporting obligations.

— considered and recommended to the Board for the terms of engagement and fee proposals provided by the auditor.

— reviewed the appointment of the auditor.

— recommended to the Board for the proposal for the re-appointment of CCIF CPA Limited as the auditor of the Company at the forthcoming AGM of the Company.

— reviewed the effectiveness of the internal control system.

— reviewed the Company's application of its policy and practices of corporate governance and disclosures in this report.

— reviewed the training and continuous professional development for the Directors and senior management.

— reviewed arrangements for employees of the Group to raise concerns about possible improprieties in financial reporting, internal control or other matters.

The chairman of the Audit Committee will report the findings and recommendations, if any, to the Board after each meeting. During the year ended 31 March 2013, the Board had no disagreement with the Audit Committee's view on the selection, appointment, resignation or dismissal of the external auditor.

Remuneration Committee

As at 31 March 2013, the Remuneration Committee comprised one Executive Director only following the removal of Dr. Wu Dingjie and Mr. Li Li Tang as INEDs on 27 March 2013. During the period from 27 March 2013 to 10 April 2013, the chairman position of the Remuneration Committee had vacated and the number of INEDs of Remuneration Committee had fallen below a majority required under Rule 3.25 of the Listing Rules.

On 11 April 2013, following the appointment of Ms. Yeung Pui Han, Regina, being an INED, as the chairman and a member of the Remuneration Committee; and Ms. Sie Nien Che, Celia, being an INED, as a member of the Remuneration Committee, the Company has complied with the chairman requirement and majority requirement of the Remuneration Committee members under Rule 3.25 of the Listing Rules.

The main duties of the Remuneration Committee are to review the Company's policy on remuneration structure, approve the management's remuneration by reference to corporate goals and objectives of the Company, recommend to the Board on the remuneration packages of the INEDs, review and determine the remuneration packages for the Executive Directors with delegated responsibility according to the model set out in code provision B.1.2(c)(i) of the CG Code as adopted by the terms of reference of the Remuneration Committee. No Director will determine his/her own remuneration. The roles and functions of the Remuneration Committee are clearly set out in the terms of reference which are no less exacting than the CG Code and are available on the websites of the Company and the Stock Exchange.

One Remuneration Committee meeting was held during the year ended 31 March 2013. The attendances of each Remuneration Committee member are set out below:

		Number of meetings attended/ eligible to attend
Executive Directors		
Ms. Ng Wai Yee	(elected on 12 September 2012)	0/0
Mr. Lau Dicky	(removed on 12 September 2012)	0/1
Independent Non-Executive Directors		
Ms. Yeung Pui Han, Regina	(appointed as the chairman and a member of the Remuneration Committee on 11 April 2013)	0/0
Ms. Sie Nien Che, Celia	(appointed on 11 April 2013)	0/0
Dr. Wu Dingjie	(elected as the chairman and a member of the Remuneration Committee on 12 September 2012, removed on 27 March 2013)	0/0
Mr. Li Li Tang	(elected on 12 September 2012, removed on 27 March 2013)	0/0
Mr. Yoshida Tsuyoshi	(removed on 12 September 2012)	0/1
Mr. Cheng Kai Tai, Allen	(removed as the chairman and a member of the Remuneration Committee on 12 September 2012)	1/1

The major works performed by the Remuneration Committee during the year and up to the date of this report include the following:

— recommended to the Board on the remuneration packages of the INEDs.

— reviewed the terms of services contracts of all newly appointed Directors.

— reviewed and approved the remuneration package of each Executive Director including benefit in kind, pension right, bonus payment and compensation payments which cover any compensation payable for loss or termination of office or appointment.

— determined remuneration proposals of the management linked with the Company's performance towards its goals and objectives and individual performance.

— considered the Group's position relative to comparable companies, time commitment and responsibilities and employment conditions in terms of remuneration packages and salary payments.

Nomination Committee

As at 31 March 2013, the Nomination Committee comprised one INED and one Executive Director. During the period from 27 March 2013 to 10 April 2013, following the removal of Mr. Li Li Tang as an INED on 27 March 2013, the number of INEDs of the Nomination Committee had fallen below a majority required under Code Provision A.5.1 of the CG Code.

On 11 April 2013, following the appointment of Ms. Sie Nien Che, Celia, being an INED, as a member of the Nomination Committee, the Company has complied with the majority requirement of Nomination Committee members under Code Provision A.5.1 of the CG Code.

The main duties of the Nomination Committee are to review the structure, size and composition of the Board, make recommendations on the selection of individual to act as a Director and on appointment or re-election of Directors to complement the corporate strategy of the Company, and assess the independence of the INEDs. The roles and functions of the Nomination Committee are clearly set out in terms of reference which are no less exacting than the CG Code and are available on the websites of the Company and the Stock Exchange.

One Nomination Committee meeting was held during the year ended 31 March 2013. The attendances of each Nomination Committee member are set out below:

		Number of meetings attended/ eligible to attend
Executive Director		
Mr. Ng Man Sun	(elected as the chairman and a member of the Nomination Committee on 12 September 2012)	0/0
Independent Non-Executive Directors		
Ms. Yeung Pui Han, Regina	(elected on 12 September 2012)	0/0
Ms. Sie Nien Che, Celia	(appointed on 11 April 2013)	0/0
Ms. Deng Xiaomei	(removed on 12 September 2012)	0/1
Dr. Wu Dingjie	(resigned as the chairman and a member of the Nomination Committee on 12 September 2012)	1/1
Mr. Li Li Tang	(elected on 12 September 2012, removed on 27 March 2013)	0/0
Mr. Yoshida Tsuyoshi	(removed on 12 September 2012)	0/1
Mr. Cheng Kai Tai, Allen	(removed on 12 September 2012)	1/1

The major works performed by the Nomination Committee during the year and up to the date of this report include the following:

— recommended to the Board on nomination of new Directors each by using criteria such as integrity, independent mindedness, experience, skill and ability to commit time and effort to carry out his/her duties and responsibilities effectively.

— recommended to the Board on re-appointment of the Directors.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The remuneration paid to and/or entitled by each of the Directors and senior management for the year under review is set out in Notes 8 and 9 to the financial statements.

AUDITOR'S REMUNERATION

During the year ended 31 March 2013, the fees paid to CCIF CPA Limited in respect of audit and non-audit services were approximately HK$720,000 and HK$240,000 respectively.

ACKNOWLEDGEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledged their responsibilities for preparing the financial statements of the Group and present the financial statements in a balanced, clear and understandable assessment in its annual and interim reports. As set out in Note 2 to the financial statements, the Directors have been implementing various measures to improve the Group's financial position by exploring new business opportunities and strengthening cash liquidity of the Company. In preparing the financial statements for the 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 to give a true and fair view of the financial results of the Company and the Group.

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 32 to 35.

INTERNAL CONTROLS

The Board recognizes its overall responsibility in ensuring conformity to the internal controls system of the Company and continues to commit to implementing an effective and sound internal controls system to safeguard the interests of shareholders and the assets of the Company, and to review annually the effectiveness of the system.

The Board has conducted a review on the internal control system of the Company and the Group covering functions of financial, operation, risk management and compliance after its consideration of the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting function.

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 uses or for publication, and ensuring compliance with applicable laws, rules and regulations. The procedures provide a reasonable, but not absolute assurance, prevention of material untrue statement of 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.

COMPANY SECRETARY

Ms. Man Oi Yuk, Yvonne has professional qualification and extensive experiences to discharge her duties as the Company Secretary of the Company. She reports to the Chairman and CEO and has day-to-day knowledge of the Company's affairs. She is mainly responsible for advising the Board on governance matters, promoting Directors' participation in continuing professional development training, ensuring good flow of information among the Board members and the Board policy and procedures are followed.

During the year, Ms. Man has attended no less than 15 hours of professional training to refresh and develop her skills and knowledge.

COMMUNICATION WITH SHAREHOLDERS

The CG Code requires the Company to have an ongoing dialogue with shareholders and it is the responsibility of the Board as a whole to ensure that satisfactory dialogue takes place. The Company's AGM provides a useful forum for the shareholders to exchange views with the Board and the Company welcomes the shareholders to attend the AGM. The Directors and representative(s) of the auditor of the Company will attend the AGM and be available to answer shareholders' questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

All notices of the general meetings are sent to the shareholders for AGM at least 20 clear business days before the meeting and at least 10 clear business days for other general meetings.

Separate resolutions are proposed at general meetings on each substantially separate issue, including election or re-election of individual Directors at the AGM, and all resolutions put to the vote of a general meeting were taken by way of a poll. The results of the poll were published on the website of the Stock Exchange and the Company respectively.

Another communication channel between the Company and its shareholders is through the publication of its interim and annual reports and any publications of the Company from time to time. The Company's Branch Share Registrars serve the shareholders with respect to all share registration matters.

SHAREHOLDERS' RIGHTS

Procedures for Shareholders to Convene Special General Meeting

Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary of the Company, to require a special general meeting ("SGM") to be called by the Board for the transaction of any business specified in such requisition; and such SGM shall be held within two months after the deposit of such requisition, provided that such written requisition is verified to be valid, proper and in order.

The requisition must state the purposes of the SGM, and must be signed by the requisitionists and deposited at the Company's head office and principal place of business in Hong Kong and may consist of several documents in like form each signed by one or more requisitionists.

If within twenty-one days of such deposit the Board fails to proceed to convene such SGM, the requisitionists themselves, or any of them representing more than one half of the total voting rights of all of them, may convene a SGM, but the SGM so convened shall not be held after the expiration of three months from the said date.

Shareholders' Enquires to the Board

Investors or shareholders are welcomed to contact our investor relations consultant for any enquires. Their contact details are as follows:

Cornerstones Communications Ltd.
Tel: (852) 2905 3106
Fax: (852) 2530 0790
Email: info@cornerstonescom.com

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 an AGM, and the requirements of relevant details of proposed resolutions, including biographies of each candidate standing for election and whether such candidates are considered to be independent.

INVESTOR RELATIONS

The Group believes that maintaining active communication and operational transparency is vital to building good investor relations. During the year, the Group has retained a professional public relation company to maintain continuous communication with various investors and held meetings regularly with analysts and institutional investors from around the world, if appropriate.

There were no significant changes in the constitutional documents of the Company during the year ended 31 March 2013.

Directors' Report

The Directors present their report and the audited consolidated financial statements of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2013.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding. The principal activities of its subsidiaries and associate during the year are set out in Notes 19 and 20 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 2013 are set out in the consolidated income statement and consolidated statement of comprehensive income on page 36 to 37.

The Directors do not recommend the payment of a dividend for the year ended 31 March 2013 (2012: nil).

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 109.

FIXED ASSETS

Details of the movements during the year in the property, plant and equipment and investment properties of the Group and the Company are set out in Notes 15 and 16 to the financial statements.

SUBSIDIARIES AND ASSOCIATE

Details of the Company's subsidiaries and associate as at 31 March 2013 are set out in Notes 19 and 20 respectively to the financial statements.

SHARE CAPITAL

Details of the movements in the Company's share capital during the year are set out in Note 26(b) to the financial statements.

SHARE OPTIONS SCHEMES

The Company adopted a share option scheme (the "1997 Scheme") on 2 September 1997 which was originally valid and effective for 10 years from its date of adoption. On 12 August 2002, the Company terminated the 1997 Scheme and adopted a share option scheme (the "2002 Scheme"). No option under the 1997 Scheme had been granted since its adoption up to its date of termination and thereafter. The 2002 Scheme was expired on 12 August 2012. At the special general meeting of the Company held on 12 September 2012, the Company adopted a new share option scheme (the "2012 Scheme").

The Company operates both the 2002 Scheme and the 2012 Scheme (collectively the "Share Option Schemes") during the year under review. Upon expiration of the 2002 Scheme on 12 August 2012, no further share option was granted under the 2002 Scheme, but the provisions of the 2002 Scheme in all other respects remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior thereto or otherwise as may be required in accordance with the provisions of the 2002 Scheme and options granted prior thereto but not yet exercised shall continue to be valid and exercisable in accordance with the 2002 Scheme.

Purpose

The Share Option Schemes are for the purpose to recognize eligible persons as incentives and rewards for their contribution to the Group.

Eligible Persons

Under the 2002 Scheme, eligible persons include employees, directors, executives or officers of the Group and suppliers, consultants or advisers to the Group at the discretion of the Board.

Under the 2012 Scheme, eligible persons include any directors, officers, employees of the Company, any of its subsidiaries or any entity (the "Invested Entity") in which the Group holds any equity interests, suppliers and customers of any member of the Group or any Invested Entity, and shareholders of any members of the Group or the Invested Entity or any other person who has contributed to the development, growth or benefit of the Group at the discretion of the Board.

Total Number of Share Option Available for Issue

The maximum number of shares in respect of which options may be granted under the Share Option Schemes will not exceed 10% of the issued share capital of the Company at the date of adoption of the 2012 Scheme; 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 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 Schemes must not exceed 20,763,279 shares, representing 10% of the shares in issue as at 12 September 2012 the date of the special general meeting approving and adopting the 2012 Scheme, and after the special general meeting on 28 March 2013 approving share consolidation of every 20 shares of the Company of HK$0.01 each consolidated into 1 new share of the Company of HK$0.20 each.

Maximum Entitlement of Each Eligible Participant

The maximum entitlement of each eligible participant is that the total number of shares issued and to be issued upon exercise of the outstanding options granted and to be granted to such eligible participant (including both exercised, cancelled and outstanding options) under the Share Option Schemes and other scheme(s) of the Group in any 12-month period must not exceed 1% of the issued share capital of the Company at the date of grant.

Option Period

An option may be exercised in whole or in part in accordance with the respective terms of the Share Option Schemes during a period notified or to be notified by the Board.

Minimum Period for which an Option must be Held Before it is Exercised

The period within which an option may be exercised under the Share Option Schemes is determined by the Board at its absolute discretion, provided that such period is consistent with any other terms and condition of the Share Option Schemes.

Payment on Acceptance of the Option

A consideration of HK$1 is payable upon acceptance of the option granted under the 2002 Scheme; and a consideration of HK$1 within 28 days from the date of the offer of grant of the option under the 2012 Scheme.

Basis of Determining the Subscription Price

The subscription price for share under the Share Option Schemes shall be at the absolute discretion of the Board, provided that it must be at least the highest of (i) the closing price of the shares on the Stock Exchange on the offer day; and (ii) the average of the closing prices of the shares on the Stock Exchange on the five trading days immediately preceding the offer date; and (iii) or the nominal value of the shares.

The Remaining Life of the Share Option Schemes

The 2012 Scheme remains in force for 10 years from the date of its adoption on 12 September 2012, unless otherwise terminated, cancelled or amended.

The 2002 Scheme was expired on 12 August 2012.

Details of the Share Option Schemes are set out in Note 27 to the financial statements.

The movements of the Company's share options outstanding under the 2002 Scheme during the year ended 31 March 2013 are as follows:

	Date of Grant (day/month/year)	Exercise period (day/month/year)	Exercise price per share HK$	No. of share options ('000) As at 1 April 2012	Granted during the year	Exercised During the year	Lapsed during the year	As at 31 March 2013
Directors								
Ms. Li Wing Sze	28/01/2008 (Note 1)	28/01/2008– 27/01/2013	14.72	5,500	—	—	5,500	—
	23/04/2009 (Note 2)	23/04/2010– 22/04/2019	3.86	3,000	—	—	3,000	—
	12/05/2009 (Note 3)	12/05/2010– 11/05/2019	4.58	2,500	—	—	2,500	—
Mr. Cheng Kai Tai, Allen	12/05/2009 (Note 3)	12/05/2010– 11/05/2019	4.58	2,600	—	—	2,600	—
Eligible employees	28/01/2008 (Note 1)	28/01/2010– 27/01/2013	14.72	9,000	—	—	9,000	—
In aggregate				22,600	—	—	22,600	—

Note:

1. The first batch of share options has been granted to certain directors, employees and consultants on 28 January 2008 under the 2002 Scheme. 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 2013
28 January 2008	28 January 2008 to 27 January 2009	16,160,000	—	16,160,000
28 January 2009	28 January 2009 to 27 January 2010	12,120,000	—	12,120,000
28 January 2010	28 January 2010 to 27 January 2013	12,120,000	4,350,000	12,120,000

The exercise price of the share options has been changed from HK$0.0736 to HK$14.72 as a result of the share consolidations passed by the shareholders at special general meetings of the Company held on 7 April 2008, whereby 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, and 28 March 2013, whereby every 20 shares of the Company of HK$0.01 each were consolidated into 1 new share of the company of HK$0.20 each.

2. The exercise price of the share options has been changed from HK$0.193 to HK$3.86 as a result of the share consolidation passed by the shareholders at a special general meeting of the Company held on 28 March 2013, whereby every 20 shares of the Company of HK$0.01 each were consolidated into 1 new share of the company of HK$0.20 each.

3. The exercise price of the share options has been changed from HK$0.229 to HK$4.58 as a result of the share consolidation passed by the shareholders at a special general meeting of the Company held on 28 March 2013, whereby every 20 shares of the Company of HK$0.01 each were consolidated into 1 new share of the company of HK$0.20 each.

The movements of the Company's share options outstanding under the 2012 Scheme during the year ended 31 March 2013 are as follows:

	Date of Grant (day/month/year)	Exercise period (day/month/year)	Exercise price per share HK$	No. of share options ('000) As at 1 April 2012	Granted during the year	Exercised During the year	Lapsed during the year	As at 31 March 2013
Directors								
Mr. Ng Man Sun	05/02/2013 (Note 1)	05/02/2013– 04/02/2023	1.54	—	200	—	—	200
Ms. Ng Wai Yee	05/02/2013 (Note 1)	05/02/2013– 04/02/2023	1.54	—	200	—	—	200
Ms. Yeung Pui Han, Regina	05/02/2013 (Note 1)	05/02/2013– 04/02/2023	1.54	—	200	—	—	200
Mr. Li Li Tang	05/02/2013 (Note 1)	05/02/2013– 04/02/2023	1.54	—	200	—	200	—
Dr. Wu Dingjie	05/02/2013 (Note 1)	05/02/2013– 04/02/2023	1.54	—	200	—	200	—
Dr. Chow Ho Wan, Owen	05/02/2013 (Note 1)	05/02/2013– 04/02/2023	1.54	—	200	—	200	—
Eligible employees	05/02/2013 (Note 1)	05/02/2013– 04/02/2023	1.54	—	1,250	—	—	1,250
Service provider	05/02/2013 (Note 1)	05/02/2013– 04/02/2023	1.54	—	2,000	—	—	2,000
In aggregate				—	4,450	—	600	3,850

Note:

1. The exercise price of the share options has been changed from HK$0.077 to HK$1.54 as a result of the share consolidation passed by the shareholders at a special general meeting of the Company held on 28 March 2013, whereby every 20 shares of the Company of HK$0.01 each were consolidated into 1 new share of the company of HK$0.20 each.

RESERVES

Details of the movements in the reserves of the Group and the Company are set out in Note 26(a) to the financial statements.

DISTRIBUTABLE RESERVES

As at 31 March 2013, in the opinion of the Directors of the Company, the reserves of the Company available for distribution to shareholders amounted to HK$543,938,000 (2012: HK$618,887,000).

DIRECTORS

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

Executive Directors

Mr. Ng Man Sun (Chairman and Chief Executive Officer) (Elected on 12 September 2012)
Ms. Ng Wai Yee (Elected on 12 September 2012)
Ms. Li Wing Sze (Removed on 12 September 2012)
Mr. Lau Dicky (Removed on 12 September 2012)
Mr. Ng Chi Keung (Removed on 12 September 2012)
Mr. Cheung Nam Chung (Removed on 12 September 2012)
Mr. Lei Kam Chao (Appointed on 25 June 2012 and removed on 12 September 2012)

Independent Non-executive Directors

Ms. Yeung Pui Han, Regina (Elected on 12 September 2012)
Mr. Li Chi Fai (Appointed on 22 February 2013)
Ms. Sie Nien Che, Celia (Appointed on 22 February 2013)
Mr. Cheng Kai Tai, Allen (Removed on 12 September 2012)
Ms. Deng Xiaomei (Chairman) (Removed on 12 September 2012)
Mr. Yoshida Tsuyoshi (Removed on 12 September 2012)
Dr. Wu Dingjie (Removed on 27 March 2013)
Mr. Li Li Tang (Elected on 12 September 2012 and removed on 27 March 2013)
Dr. Chow Ho Wan, Owen (Elected on 12 September 2012 and resigned on 6 March 2013)

In accordance with the provisions of the Company's Bye-laws, Mr. Ng Man Sun, Ms. Ng Wai Yee, Mr. Li Chi Fai, Ms. Yeung Pui Han, Regina and Ms. Sie Nien Che, Celia retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Ng Man Sun, aged 66, also known as Ng Wai, has been elected as an Executive Director of the Company and appointed as the Chairman and Chief Executive Officer of the Company on 12 September 2012. He is a substantial shareholder of the Company and father of Ms. Ng Wai Yee, an Executive Director of the Company. Mr. Ng is well-known amongst the Macau casino business and is the founding chairman of the Association of Casino intermediaries of Macau.

Ms. Ng Wai Yee, aged 39, has been elected as an Executive Director of the Company on 12 September 2012. She is the daughter of Mr. Ng Man Sun, being the Chairman and Chief Executive Officer and a substantial shareholder of the Company, and a director of Diamond Square Investment & Management Company Limited （鑽石廣場投資管理有限公司） to assist the management of Mr. Ng's business.

Independent Non-Executive Directors

Mr. Li Chi Fai, aged 46, has been appointed as an Independent Non-executive Director of the Company on 22 February 2013. Mr. Li currently is a company secretary of China Investment and Finance Group Limited. Mr. Li is a member of Hong Kong Institute of Certified Public Accountants and Certified Practising Accountants, Australia. Mr. Li holds a bachelor degree in economics from Monash University, Australia. He has more than 16 years of experiences in financial auditing and accounting. Before, he joined as chief financial officer and company secretary of a number of Main Board issuers of the Stock Exchange such as Evergreen International Holdings Limited, China Kangda Food Company Limited and First Natural Foods Holdings Limited.

Ms. Yeung Pui Han, Regina, aged 56, has been elected as an Independent Non-executive Director of the Company on 12 September 2012. Ms. Yeung is a merchant in Canada in respect of high end leisure and entertainment business. She has been appointed the President of Tradewinds Production Limited, a Canadian corporation, since 2009.

Ms. Sie Nien Che, Celia, aged 39, has been appointed as an Independent Non-executive Director of the Company on 22 February 2013. Ms. Sie is the founder and chief executive officer of JACSO Group, a well known entertainment based group of companies in Hong Kong. Ms. Sie is a holder of bachelor degree in Arts from the University of Hong Kong and a member of Hong Kong United Youth Association.

Chief Financial Officer

Mr. Wong Sze Lok, aged 40, has over 16 years of professional experiences in auditing and corporate governance. Before joining the Company, he had held senior positions at an international professional accounting firm and several companies listed in Hong Kong or the United States. Mr. Wong has extensive experience in a wide variety of areas including personal financing; department store; education; gaming; biological assets; mining; distribution and professional consulting, etc. Mr. Wong holds a bachelor degree in Accountancy from Hong Kong Polytechnic University and a master degree in management from Macquarie Graduate School of Management. He is a fellow member of Hong Kong Institute of Certified Public Accountants; a member of Institute of Chartered Accountants in England & Wales and a Certified Information Systems Auditor.

DIRECTORS' SERVICE CONTRACTS

Each of Mr. Ng Man Sun, Ms. Ng Wai Yee, Mr. Li Chi Fai, Ms. Yeung Pui Han, Regina, Ms. Sie Nien Che, Celia has entered into a letter of appointment with the Company without specific term of office and 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 material 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 has 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 2013, none of the Directors and chief executive of the Company and their respective associates had 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 Securities and Futures Ordinance (the "SFO")) as recorded in the register(s) and kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

Name of Directors	Capacity	Number of shares held	Number of Underlying shares held	Total	Approximate percentage of issued share capital
Mr. Ng Man Sun	Beneficial owner	47,000,000	200,000 (Note 1)	47,200,000	22.73%
	Interest in a controlled corporation (Note 2)	307,366	—	307,366	0.15%
	Total:	47,307,366	200,000 (Note 1)	47,507,366	22.88%
Ms. Ng Wai Yee	Beneficial owner	—	200,000 (Note 1)	200,000	0.096%
Ms. Yeung Pui Han, Regina	Beneficial owner	—	200,000 (Note 1)	200,000	0.096%

Note:

1. These interests represent the number of underlying shares in respect of the 2012 Scheme, the details of which are set out in section headed "SHARE OPTIONS SCHEMES" of the Directors' Report.

2. For 307,366 Shares being held by East Legend Holdings Limited ("East Legend"), Mr. Ng Man Sun is interested in the entire issued share capital of East Legend and he is deemed to be interested in the 307,366 Shares held by East Legend.

SUBSTANTIAL SHAREHOLDER

As at 31 March 2013, other than interests as disclosed above in respect of Mr. Ng Man Sun as Director and the Chairman and Chief Executive Officer, Ms. Ng Wai Yee and Ms. Yeung Pui Han, Regina as Directors, none of persons had interests or short positions in the shares and underlying shares of the Company as recorded in the register(s) required to be kept under Section 336 of the SFO.

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under section headed "DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, 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.

RETIREMENT BENEFIT SCHEMES

Details of the retirement benefit schemes of the Group and the employees' costs charged to the consolidated income statement for the year under review are set out in Note 10 to the consolidated financial statements.

EMPLOYMENT AND REMUNERATION POLICY

As at 31 March 2013, the Group employed permanent employees in Hong Kong, Macau and Nanning. The Group is aware of the importance of human resources and is dedicated to retaining competent and talented employees by offering them competitive remuneration packages. Their salaries and bonuses were determined by reference to their duties, work experience, performance and prevailing market practices. The Group also participates in the Mandatory Provident Fund scheme in Hong Kong, and 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.

PROMISSORY NOTES

Details of the promissory notes issued by the Company are set out in Note 25 to the financial statements.

RELATED PARTY TRANSACTIONS

Details of material related party transactions of the Group are set out in Note 30 to the financial statements.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the financial year ended 31 March 2013.

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 provisions contained in Appendix 14 to the Listing Rules. Principal corporate governance practice adopted by the Company are set out in the Corporate Governance Report on pages 8 to 20 of this 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.

EVENTS AFTER THE REPORTING PERIOD

Details of significant events occurring after the reporting period are set out in Note 34 to the financial statements.

AUDITOR

At a special general meeting held on 27 March 2013, shareholders of the Company approved the appointment of CCIF CPA Limited as the new auditor of the Company.

During the preceding three years, save as disclosed above, CCIF CPA Limited resigned as auditor of the Company with effect from 6 February 2012. On 27 February 2012, Baker Tilly Hong Kong Limited was appointed as auditor of the Company at a special general meeting and to hold office until the conclusion of the next annual general meeting of the Company. Baker Tilly Hong Kong Limited retired as the auditor of the Company at the annual general meeting of the Company on 12 September 2012.

On behalf of the Board

Ng Man Sun
Chairman

Hong Kong, 28 June 2013

Independent Auditor's Report

CCIF

CCIF CPA LIMITED

9/F Leighton Centre
77 Leighton Road
Causeway Bay Hong Kong

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

We were engaged to audit the consolidated financial statements of Amax Holdings Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 36 to 108, which comprise the consolidated and company's statements of financial position as at 31 March 2013, 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. This report is made 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) Scope limitation—Prior year's audit scope limitation affecting opening balances and corresponding figures

As detailed in the auditor's report dated 29 June 2012 on the financial statements for the year ended 31 March 2012, the predecessor auditor disclaimed their opinion on the Group's financial statements for the year ended 31 March 2012 because of the significance of the possible effects of the limitation in evidence made available to them such that they were unable to satisfy themselves as to whether:

(a) the prior year's adjustments included in the financial statements for the year ended 31 March 2012 made by the Group for the financial statements for the year ended 31 March 2011 to account for a dilution of its equity interest in Greek Mythology (Macau) Entertainment Group Corporation Limited ("Greek Mythology") from 49.9% to 24.8% which was effective on 8 November 2010 were free from material misstatement. These adjustments may have significant cumulative effect to the carrying amount of the Group's and the Company's interest in Greek Mythology as at 31 March 2012; and

(b) the Group's share of profit relating to Greek Mythology for the year ended 31 March 2012 and the Group's interest in Greek Mythology as at 31 March 2012 were free from material misstatement.

Any adjustments that might have found to be necessary in respect of the above would have had a consequential effect on (i) the Group's and the Company's interest in Greek Mythology and net assets as at 1 April 2012, and (ii) the Group's results for the year ended 31 March 2012 and the related disclosures made in the financial statements.

(2) Scope limitation—Interest in Greek Mythology and share of results of Greek Mythology

As detailed in Note 20 to the consolidated financial statements, the management of Greek Mythology did not cooperate with the management of the Group and denied the Group to access their books and records. The audited financial statements of Greek Mythology for the periods from 1 April 2010 to 7 November 2010, from 8 November 2010 to 31 March 2011 and the 2 years ended 31 March 2012 and 2013 were not available. We were unable to determine the Group's share of results of Greek Mythology for the year ended 31 March 2013.

Due to the lack of sufficient appropriate audit evidence, we were unable to satisfy ourselves as to whether Greek Mythology was properly accounted for as an associate, and whether 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 2013, and the Group's share of results of Greek Mythology for the year ended 31 March 2013 were free from material misstatement. There are no other satisfactory audit procedures that we could adopt to determine whether any adjustments to the amounts were necessary.

Any adjustments that might have been found to be necessary in respect of the matters mentioned above would have a consequential effect on the result for the year and the Group's net assets as at 31 March 2013 and related disclosures in the consolidated financial statements.

(3) Scope limitation—Recoverability of amount due from Greek Mythology and valuation of intangible assets

(a) Included in the Group's trade and other receivables of HK$76,811,000 as at 31 March 2013 was an amount of HK$70,365,000 due from Greek Mythology. We were unable to obtain sufficient appropriate audit evidence to ascertain the appropriateness of making any provision for the impairment of amount due from Greek Mythology because (i) we were unable to carry out effective confirmation procedures in relation to the balance receivable for the purpose of our audit; and (ii) there is no information available for us to assess the financial position of Greek Mythology as mentioned in the basis for disclaimer opinion paragraph (2). There are no other satisfactory audit procedures that we could adopt to determine whether any impairment allowance for the amount should be made in the consolidated financial statements.

(b) Included in the consolidated statement of financial position as at 31 March 2013 are intangible assets, being the right granted to Greek Mythology to operate and manage certain gaming tables and slot machines, with a carrying amount of HK$14,319,000. No impairment has been made for the year in this aspect as determined by the directors of the Company based on the cash flow projections and financial budgets prepared by the directors. We were unable to obtain sufficient appropriate audit evidence to ascertain whether the cash flow projection and financial budgets were properly prepared. We were unable to satisfy ourselves as to whether the carrying amount of the intangible assets as at 31 March 2013 was fairly stated.

Any adjustments that might have been found to be necessary in respect of the matters mentioned above would have a consequential effect on the result for the year and the Group's net assets as at 31 March 2013 and related disclosures in the consolidated financial statements.

(4) Going concern

As set out in the consolidated statements of comprehensive income and cash flows, the Group incurred loss for the year of approximately HK$39,384,000, for the year ended 31 March 2013 and had been experiencing persistent negative operating cash flows. As set out in consolidated statement of financial position, the Group had net current liabilities of approximately HK$30,717,000 as at 31 March 2013. As set out in Note 2 to the consolidated financial statements, the directors have been implementing various measures to improve the Group's financial position. The validity of the going concern assumption on which the consolidated financial statements are prepared is dependent on the successful implementation of these measures. The consolidated financial statements have been prepared on the assumption that the Group will continue as a going concern and therefore do not include any adjustments relating to the realisation of assets and reclassification of non-current assets and non-current liabilities that may be necessary if the Group is unable to continue as a going concern.

Should the going concern assumption be inappropriate, adjustments may have to be made to reflect the situation that assets may need to be realised other than at the amounts at which they are currently recorded in the consolidated statement of financial position. In addition, the Group may have to provide for further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively.

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 as to whether they give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2013 and of the Group's loss for the year then ended in accordance with Hong Kong Financial Reporting Standards and as to whether the financial statements have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

CCIF CPA Limited
Certified Public Accountants
Hong Kong, 28 June 2013

Chan Wai Dune, Charles
Practising Certificate Number P00712

Consolidated Income Statement

For the year ended 31 March 2013 (Expressed in Hong Kong Dollars)

	Note	2013 HK$'000	2012 HK$'000
Turnover	4, 14	**5,494**	4,921
Cost of sales		**(432)**	—
Gross profit		**5,062**	4,921
Fair value gain on investment properties	16	**1,890**	280
Other revenue and other net income	4	**46**	262
Selling and distribution expenses		**(1,834)**	(1,989)
General and administrative expenses		**(34,374)**	(23,512)
Reversal of impairment of other receivable	22(b)	**—**	1,500
Impairment of available-for-sale financial asset	21	**—**	(30,936)
Share of profit of associates	20	**—**	238,364
Finance costs	6	**(10,174)**	(9,489)
Impairment of goodwill	18	**—**	(18,309)
(Loss)/profit before taxation	5	**(39,384)**	161,092
Income tax	7	**—**	—
(Loss)/profit for the year		**(39,384)**	161,092
Attributable to:			
Owners of the Company		**(38,632)**	162,251
Non-controlling interests		**(752)**	(1,159)
(Loss)/profit for the year		**(39,384)**	161,092
(Loss)/earnings per share			
		HK Cents	HK Cents (restated)
— basic	13(a)	**(18.60)**	78.14
— diluted	13(b)	**(18.60)**	78.14

The Notes on pages 42 to 108 form part of these financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2013 (Expressed in Hong Kong Dollars)

	2013 HK$'000	2012 HK$'000
(Loss)/profit for the year	**(39,384)**	161,092
Other comprehensive (loss)/income for the year:		
Exchange differences on translation of financial statements of group entities outside Hong Kong, net of nil tax	**19**	207
Total comprehensive (loss)/income for the year	**(39,365)**	161,299
Total comprehensive (loss)/income for the year attributable to:		
Owners of the Company	**(38,617)**	162,395
Non-controlling interests	**(748)**	(1,096)
	(39,365)	161,299

The Notes on pages 42 to 108 form part of these financial statements.

Consolidated Statement of Financial Position

At 31 March 2013 (Expressed in Hong Kong Dollars)

	Note	2013 HK$'000	2012 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	15	**1,620**	1,913
Investment properties	16	**6,310**	4,420
Goodwill	18	**—**	—
Intangible assets	17	**14,319**	16,365
Interest in an associate	20	**1,191,209**	1,191,209
Other financial assets	21	**—**	—
		1,213,458	1,213,907
CURRENT ASSETS			
Trade and other receivables	22	**76,811**	67,856
Cash and cash equivalents		**1,199**	28,434
		78,010	96,290
CURRENT LIABILITIES			
Trade and other payables	23	**(108,593)**	(106,148)
Obligations under a finance lease	24	**(134)**	—
		(108,727)	(106,148)
NET CURRENT LIABILITIES		**(30,717)**	(9,858)
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,182,741**	1,204,049
NON-CURRENT LIABILITIES			
Promissory notes	25	**(155,210)**	(145,057)
Obligations under a finance lease	24	**(459)**	—
		(155,669)	(145,057)
NET ASSETS		**1,027,072**	1,058,992
CAPITAL AND RESERVES	26		
Share capital		**41,527**	41,527
Reserves		**985,890**	1,016,915
Total equity attributable to owners of the Company		**1,027,417**	1,058,442
Non-controlling interests		**(345)**	550
TOTAL EQUITY		**1,027,072**	1,058,992

Approved and authorised for issue by the board of directors on 28 June 2013.

Ng Man Sun
Director

Ng Wai Yee
Director

The Notes on pages 42 to 108 form part of these financial statements.

Statement of Financial Position

At 31 March 2013 (Expressed in Hong Kong Dollars)

	Note	**2013 HK$'000**	2012 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	15	**868**	884
Investment properties	16	**6,310**	4,420
Investments in subsidiaries	19	**24,462**	24,462
Interest in an associate	20	**1,191,209**	1,191,209
Other financial assets	21	**—**	—
		1,222,849	1,220,975
CURRENT ASSETS			
Trade and other receivables	22	**47,633**	91,738
Cash and cash equivalents		**411**	8,803
		48,044	100,541
CURRENT LIABILITIES			
Trade and other payables	23	**(198,020)**	(185,660)
Obligations under a finance lease	24	**(134)**	—
		(198,154)	(185,660)
NET CURRENT LIABILITIES		**(150,110)**	(85,119)
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,072,739**	1,135,856
NON-CURRENT LIABILITIES			
Promissory notes	25	**(155,210)**	(145,057)
Obligations under a finance lease	24	**(459)**	—
		(155,669)	(145,057)
NET ASSETS		**917,070**	990,799
CAPITAL AND RESERVES	26		
Share capital		**41,527**	41,527
Reserves		**875,543**	949,272
TOTAL EQUITY		**917,070**	990,799

Approved and authorised for issue by the Board of Directors on 28 June 2013.

Ng Man Sun
Director

Ng Wai Yee
Director

The Notes on pages 42 to 108 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2013 (Expressed in Hong Kong Dollars)

		Attributable to equity 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	Other reserve HK$'000	Accumulated losses HK$'000	Sub-total HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 1 April 2011		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 financial statements of group entities outside Hong Kong		–	–	–	–	–	144	–	–	144	63	207
Total comprehensive income for the year		–	–	–	–	–	144	–	162,251	162,395	(1,096)	161,299
Acquisition of a subsidiary	31(b)	–	–	–	–	–	–	–	–	–	1,646	1,646
Share options forfeited		–	–	–	–	(352)	–	–	352	–	–	–
At 31 March 2012 and 1 April 2012		41,527	324,160	(22,470)	2,180,026	6,225	144	–	(1,471,170)	1,058,442	550	1,058,992
Deemed acquisition of additional interest in subsidiary		–	–	–	–	–	–	147	–	147	(147)	–
Equity-settled share-based transactions		–	–	–	–	7,445	–	–	–	7,445	–	7,445
Share options forfeited		–	–	–	–	(6,225)	–	–	6,225	–	–	–
Loss for the year		–	–	–	–	–	–	–	(38,632)	(38,632)	(752)	(39,384)
Exchange differences on translation of financial statements of group entities outside Hong Kong		–	–	–	–	–	15	–	–	15	4	19
Total comprehensive income/(loss) for the year		–	–	–	–	–	15	–	(38,632)	(38,617)	(748)	(39,365)
At 31 March 2013		41,527	324,160	(22,470)	2,180,026	7,445	159	147	(1,503,577)	1,027,417	(345)	1,027,072

The Notes on pages 42 to 108 form part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 March 2013 (Expressed in Hong Kong Dollars)

	Note	**2013 HK$'000**	2012 HK$'000
Operating activities			
(Loss)/profit before taxation		**(39,384)**	161,092
Adjustments for:			
Fair value gain on investment properties	16	**(1,890)**	(280)
Interest income	4(b)	**(1)**	(2)
Depreciation of property, plant and equipment	15	**952**	1,067
Amortisation of intangible assets	17	**2,046**	2,045
Impairment of goodwill	18	**—**	18,309
Impairment of available-for-sale financial asset	21	**—**	30,936
Reversal of impairment loss of other receivable	22(b)	**—**	(1,500)
Finance costs	6	**10,174**	9,489
Share of profit of an associate	20	**—**	(238,364)
Loss on disposal of property, plant and equipment	5(b)	**78**	—
Equity-settled share-based payment expenses	5	**7,445**	—
Changes in working capital		**(20,580)**	(17,208)
(Increase)/decrease in trade and other receivables		**(8,955)**	13,615
Increase/(decrease) in trade and other payables		**2,445**	(991)
Net cash used in operating activities		**(27,090)**	(4,584)
Investing activities			
Payments for purchase of property, plant and equipment		**(149)**	(512)
Interest received	4(b)	**1**	2
Proceeds from sales of property, plant and equipment		**125**	—
Cash inflow from acquisition of a subsidiary	31(b)	**—**	1,348
Net cash (used in)/generated from investing activities		**(23)**	838
Financing activities			
Capital element of a finance lease payments made		**(107)**	—
Interest element of a finance lease		**(21)**	—
Net cash used in financing activities		**(128)**	—
Net decrease in cash and cash equivalents		**(27,241)**	(3,746)
Cash and cash equivalents at beginning of year		**28,434**	32,026
Net effect of foreign exchange rate changes		**6**	154
Cash and cash equivalents at end of the year		**1,199**	28,434

The Notes on pages 42 to 108 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 March 2013

1. GENERAL INFORMATION

Amax Holdings Limited (the "Company") was incorporated and domiciled in Bermuda as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and the head office and principal place of business of the Company are disclosed in the "Corporate Information" to the annual report.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries and associate during the year are set out in Notes 19 and 20 to the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). A summary of the significant accounting policies adopted by the Group is set out below.

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

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 March 2013 comprise the Company and its subsidiaries and the Group's interest in an associate.

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). These financial statements are presented in Hong Kong Dollar ("HKD"), rounded to the nearest thousand except for per share data. HKD is the Company's functional and the Group's presentation currency.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets are stated at their fair value as explained in the accounting policies set out below:

— investment properties (see Note 2(h)); and

— available-for-sale financial assets (see Note 2(g)).

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

As set out in the consolidated statements of comprehensive income and cash flows, the Group incurred loss for the year of approximately HK$39,384,000 for the year ended 31 March 2013 and had been experiencing persistent negative operating cash flows. As at 31 March 2013, the Group's current liabilities exceeded its current assets by HK$30,717,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

In order to improve the Group's operating and financial position, the directors have been implementing various operating and financing measures as follows:

- actively collecting outstanding debts due from an associate and other debtors;
- actively looking for potential investment opportunities;
- cost minimisation and control measures; and
- negotiating with banks and financial institutions such as financial leasing company to obtain new credit lines or financing to fulfil the operational and additional financial obligations.

The directors are of the opinion that, taking into account the measures as above, the Group will have sufficient working capital to meet its financial obligations as they fall due in the twelve months from the date these consolidated financial statements were authorised to be issued.

Accordingly, the consolidated financial statements have been prepared on a going concern basis. Notwithstanding the above, whether the Group will be able to continue as a going concern would depend on the outcome of the above measures. Should the Group be unable to operate as a going concern, adjustment would have to be made to reduce the carrying values of the Group's assets to their recoverable amounts, to provide for financial liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The consolidated financial statements do not include any of these adjustments.

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

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

Judgements made by the management in the application of HKFRSs that have a significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 32.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

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 meet the definition of a financial liability.

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 interest and the owners of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in the relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment losses (see Note 2(l)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Associate

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

An investment in an associate is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). 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 values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see Notes 2(f) and 2(l)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees 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 investees' 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 investee. 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.

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

In the Company's statement of financial position, investment in an associate is stated at cost less impairment losses, unless classified as held for sale.

(e) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for the control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Business combinations (continued)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair values, except that:

- a deferred tax asset or liability arising from the assets acquired and liabilities assumed in a business combination and the potential tax effects of temporary differences and carryforwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are recognised and measured in accordance with HKAS 12, Income Taxes;

- assets or liabilities relating to employee benefit arrangements are recognised and measured in accordance with HKAS 19 Employee Benefits;

- liabilities or equity instruments relating to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 Share-based Payment at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value or, when applicable, on the basis specified in another Standard.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period which cannot exceed one year from the acquisition date about facts and circumstances that existed at the acquisition date.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Business combinations (continued)

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with HKAS 39, Financial Instruments: Recognition and Measurement or HKAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (that is, the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

(f) 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 bargain purchase gain.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Goodwill (continued)

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each 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(l)).

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

(g) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available for sale or not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments. Available-for-sale financial assets are initially measured at cost, which is their transaction price unless fair value can be more 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 other comprehensive income and accumulated separately in equity in the fair value reserve. When these financial assets are derecognised or impaired (see Note 2(l)), the cumulative gain or loss is reclassified from equity to profit or loss.

(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. These include land held for a currently undetermined future use.

Investment properties are stated in the statement of financial position 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(u)(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(k)), and the same accounting policies are applied to other investment properties leased under finance leases. Lease payments are accounted for as described in Note 2(k).

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Property, plant and equipment

Property, plant and equipment are stated in the statement of financial position at cost less accumulated depreciation and accumulated impairment losses (see Note 2(l)).

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 and 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.

(j) Intangible assets (other than goodwill)

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

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

(k) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Leased assets (continued)

(i) Classification of assets leased to the Group

Assets 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) Asset acquired under a finance lease

Where the Group acquires the use of asset under a finance lease, the amounts representing the fair value of the leased asset or, if lower, the present value of the minimum lease payments of such assets are included in property, plant and equipment and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates which write off the cost or valuation of the assets over the term of the relevant lease or, where it is likely the Group will obtain ownership of the asset, the life of the asset, as set out in Note 2(i). Impairment losses are accounted for in accordance with the accounting policy as set out in Note 2(l). Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

(iii) 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 as expense in the accounting period in which they are incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Impairment of assets

(i) Impairment of investments in equity securities and other receivables

Investments in equity securities and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale securities 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 losses are determined and recognised as follows:

— For investments in subsidiaries and an associate (including those recognised using the equity method (see Note 2(d))), the impairment losses are measured by comparing the recoverable amount of the investment with its carrying amount in accordance with Note 2(l)(ii). The impairment losses are reversed if there has been a favourable change in the estimates used to determine the recoverable amount in accordance with Note 2(l)(ii).

— For unquoted equity securities carried at cost, impairment losses are measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for equity securities carried at cost are not reversed.

— For trade receivables and other current receivables and other financial assets carried at amortised cost, impairment losses are measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (that is, 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Impairment of assets (continued)

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

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

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

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

Internal and external sources of information are reviewed at 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, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Impairment of assets (continued)

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

— *Calculation of recoverable amount*

The recoverable amount of an asset is the higher of its fair value less costs to sell and its 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 whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying amount 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.

(iii) Interim financial reporting and impairment

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with HKAS 34, Interim Financial Reporting, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see Notes 2(l)(i) and 2(l)(ii)).

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Impairment of assets (continued)

(iii) Interim financial reporting and impairment (continued)

Impairment losses recognised in an interim period in respect of goodwill and available-for-sale financial asset carried at cost are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates. Consequently, if the fair value of an available-for-sale equity security increases in the remainder of the annual period, or in any other period subsequently, the increase is recognised in other comprehensive income and not profit or loss.

(m) 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 loss of doubtful debts (see Note 2(l)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment loss of doubtful debts (see Note 2(l)).

(n) Interest-bearing borrowings

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

(o) Trade and other payables

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

(p) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments 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. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Promissory notes

Promissory notes are initially recognised at fair value. Promissory notes are subsequently measured at amortised cost, using the effective interest method, which is calculating the amortised cost of the promissory notes and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the promissory notes. The expense is recognised in profit or loss on an effective interest basis.

(r) 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 carried at their present values.

(ii) Share-based payments

Share options granted to eligible employees

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.

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Employee benefits (continued)

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

Share options granted to eligible participant providing services to the Group

Share options issued in exchange for services are measured at the fair values of the services received, unless that fair value cannot be reliably measured, in which case the services received are measured by reference to the fair value of the share options granted. The fair values of the services received are recognised as expenses, with a corresponding increase in equity (capital reserve), when the counterparties render services, unless the services qualify for recognition as assets.

(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.

(s) 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)

(s) 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 that those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary differences or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

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

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the 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.

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Income tax (continued)

- 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.

(t) Provisions and contingent liabilities

Provisions are recognised for 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 carried 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.

(u) 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, which composes of fixed monthly income, is recognised in accordance with the agreed terms.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) 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.

(v) 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 carried at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

The results of operations outside Hong Kong 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 operations outside Hong Kong acquired on or after 1 April 2005, are translated into Hong Kong dollars at the foreign exchange rates ruling 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 operation outside Hong Kong, the cumulative amount of the exchange differences relating to that operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

(w) Borrowing costs

Borrowing costs that are 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 are capitalised as part of the cost of that asset. Other borrowing costs are expensed in profit or loss in the period in which they are incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Borrowing costs (continued)

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 complete.

(x) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(y) Segment reporting

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

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. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued several amendments to HKFRSs that are first effective for the current accounting period of the Group and the Company. Of these, the following new and revised HKFRSs are relevant to the Group's financial statements:

Amendments to HKFRS 7	Financial Instruments: Disclosures -Transfer of financial assets
Amendments to HKAS 12	Income taxes—Deferred tax: Recovery of underlying assets

The Group has not applied any new and revised HKFRSs that are not yet effective for the current accounting period.

Amendments to HKFRS 7, Financial instruments: Disclosures

The amendments to HKFRS 7 require certain disclosures to be included in the financial statements in respect of transferred financial assets that are not derecognized in their entirety and for any continuing involvement in transferred financial assets that are derecognised in their entirety, irrespective of when the related transfer transaction occurred. However, an entity need not provide the disclosures for the comparative period in the first year of adoption. The Group did not have any significant transfers of financial assets in previous periods or the current period which require disclosure in the current accounting period under the amendments.

3. CHANGES IN ACCOUNTING POLICIES (continued)

Amendments to HKAS 12, Income taxes

Under HKAS 12, deferred tax is required to be measured with reference to the tax consequences that would follow from the manner in which the entity expects to recover the carrying amount of the asset in question. In this regard, the amendments to HKAS 12 introduced a rebuttable presumption that the carrying amount of investment property carried at fair value under HKAS 40, Investment property, will be recovered through sale. This presumption is rebutted on a property-by-property basis if the investment property in question is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

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

Up to the date of issue of these financial statements, the HKICPA has issued the following amendments and new standards which are not yet effective for the year ended 31 March 2013 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

Amendments to HKAS 1	Presentation of financial statements — Presentation of items of other comprehensive income[1]
HKFRS 9	Financial instruments[4]
HKFRS 10	Consolidated financial statements[2]
HKFRS 11	Joint arrangements[2]
HKFRS 12	Disclosure of interests in other entities[2]
HKFRS 13	Fair value measurement[2]
Revised HKAS 27	Separate financial statements (2011)[2]
Revised HKAS 28	Investments in associates and joint ventures[2]
Revised HKAS 19	Employee benefits[2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2009-2011 Cycle[2]
Amendments to HKFRS 7	Financial instruments: Disclosures — Disclosures — Offsetting financial assets and financial liabilities[2]
Amendments to HKAS 32	Financial instruments: Presentation — Offsetting financial assets and financial liabilities[3]
Amendments to HKAS 36	Impairment of Assets: Recoverable amount disclosures for non-financial assets[3]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosure[4]
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance[2]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities[3]
HK(IFRIC)—Int 20	Stripping Costs in the Production Phase of a Surface Mine[2]
HK(IFRIC)—Int 21	Levies[3]

1 Effective for annual periods beginning on or after 1 July 2012.
2 Effective for annual periods beginning on or after 1 January 2013.
3 Effective for annual periods beginning on or after 1 January 2014.
4 Effective for annual periods beginning on or after 1 January 2015.

3. CHANGES IN ACCOUNTING POLICIES (continued)

Amendments to HKAS 12, Income taxes (continued)

The Group is in the process of making an assessment on the expected impact of these new and revised HKFRSs in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position.

4. TURNOVER, OTHER REVENUE AND OTHER NET INCOME

(a) Turnover

The subsidiaries of the Group are principally engaged in investments in gaming and entertainment related business.

Turnover comprises the following:

	2013 HK$'000	2012 HK$'000
Income from investments in certain gaming tables related operation (Note (i)) and slot machines related operations (Note (ii)) in Greek Mythology Casino in Macau	**4,800**	4,800
Commission income on provision of services to Guangxi Public Welfare Lottery Issue Centre	**694**	121
	5,494	4,921

(i) Investment in VIP gaming tables related operation

Thousand Ocean Investments Limited ("Thousand Ocean"), a wholly-owned subsidiary of the Company, has an investment interest in five gaming tables in the high rolling gaming area (the "Gaming Tables") in the Greek Mythology Casino reserved exclusively for high-wagering patrons.

Thousand Ocean has granted the right to Greek Mythology to operate and manage the Gaming Tables in Macau. In return, Thousand Ocean earns a fixed monthly income of HK$300,000.

	2013 HK$'000	2012 HK$'000
Income	**3,600**	3,600

4. TURNOVER, OTHER REVENUE AND OTHER NET INCOME (continued)

(a) Turnover (continued)

(ii) Investment in slot machine related operation

Jadepower Limited ("Jadepower"), a wholly-owned subsidiary of the Company, has an investment interest in certain electronic slot machines in the Greek Mythology Casino.

Jadepower has granted the right to Greek Mythology to operate and manage these slot machines in Macau. In return, Jadepower earns a fixed monthly income of HK$100,000.

	2013 **HK$'000**	2012 HK$'000
Income	**1,200**	1,200

(b) Other revenue and other net income

	2013 **HK$'000**	2012 HK$'000
Other revenue		
Interest income from banks	**1**	2
Gross rental income from investment properties	**152**	228
Sundry income	**4**	32
	157	262
Other net income		
Loss on disposal of property, plant and equipment	**(78)**	—
Net exchange losses	**(33)**	—
	(111)	—
	46	262

5. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation is arrived at after charging/(crediting):

	2013 **HK$'000**	2012 HK$'000
(a) Staff costs (including directors' emoluments):		
Equity-settled share-based payment expenses	**2,681**	—
Salaries, allowances and other benefits	**10,065**	10,776
Contribution to defined contribution retirement plans	**310**	198
	13,056	10,974
(b) Other items:		
Amortisation of intangible assets	**2,046**	2,045
Auditor's remuneration	**720**	830
Equity-settled share-based payment expenses	**4,764**	—
Rental income from investment properties less direct outgoings of HK$80,000 (2012:HK$52,000)	**(72)**	(175)
Depreciation of property, plant and equipment	**952**	1,067
Loss on disposal of property, plant and equipment	**78**	—
Net exchange losses	**33**	—
Operating lease charges in respect of premises:		
— minimum lease payments	**1,631**	1,361

6. FINANCE COSTS

	2013 **HK$'000**	2012 HK$'000
Interest on promissory notes (Note 25)	**10,153**	9,489
Finance charges on obligations under a finance lease	**21**	—
Total interest expense on financial liabilities not at fair value through profit or loss	**10,174**	9,489

7. 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 (2012: HK$Nil) as the companies in the Group have no assessable profits for the year in the relevant tax jurisdictions.

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

	2013 HK$'000	2012 HK$'000
(Loss)/profit before taxation	**(39,384)**	161,092
Notional tax on (loss)/profit before taxation, calculated at the rates applicable to (loss)/profit in the tax jurisdictions concerned	**(6,789)**	26,253
Tax effect of non-deductible expenses	**4,001**	14,278
Tax effect of non-taxable income	**(1,104)**	(40,531)
Tax effect of unused tax losses not recognised	**3,892**	—
	—	—

Deferred taxation

The Group did not recognise deferred tax assets in respect of cumulative tax losses of approximately HK$27,775,000 (2012: HK$5,435,000) at 31 March 2013 as it is not probable that future taxable profits against which tax losses can be utilised will be available in the relevant tax jurisdiction and entities. Of the total tax losses, losses of approximately HK$4,868,000 (2012: HK$Nil) will expire within 4 years, HK$7,288,000 (2012: HK$4,868,000) will expire within 5 years and the remaining tax losses of approximately HK$20,487,000 (2012: HK$567,000) have no expiry date under the current tax legislation.

8. DIRECTORS' EMOLUMENTS

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

	2013					
	Directors' fees	Salaries, allowance and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Equity-settled share-based payments (Note 7)	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Executive directors						
Mr. Ng Man Sun (Chairman and Chief Executive Officer) (Note 3)	–	2,324	–	5	290	2,619
Ms. Ng Wai Yee (Note 3)	–	216	–	8	290	514
Ms. Li Wing Sze (Note 2)	–	243	–	7	–	250
Mr. Ng Chi Keung (Note 2)	–	772	–	10	–	782
Mr. Lau Dicky (Note 2)	–	232	–	7	–	239
Mr. Cheung Nam Chung (Note 2)	–	720	–	150	–	870
Mr. Lei Kam Chao (Notes 1 and 2)	–	112	–	–	–	112
Independent non-executive directors						
Ms. Yeung Pui Han, Regina (Note 3)	53	–	–	–	290	343
Mr. Li Li Tang (Notes 3 and 6)	44	–	–	–	–	44
Dr. Chow Ho Wan, Owen (Notes 3 and 5)	47	–	–	–	–	47
Ms. Sie Nien Che, Celia (Note 4)	10	–	–	–	–	10
Mr. Li Chi Fai (Note 4)	10	–	–	–	–	10
Mr. Cheng Kai Tai, Allen (Note 2)	162	–	–	–	–	162
Ms. Deng Xiaomei (Note 2)	162	–	–	–	–	162
Dr. Wu Dingjie (Note 6)	95	–	–	–	–	95
Mr. Yoshida Tsuyoshi (Note 2)	70	–	–	–	–	70
	653	4,619	–	187	870	6,329

8. DIRECTORS' EMOLUMENTS (continued)

	2012					
	Directors' fees	Salaries, allowance and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Equity-settled share-based payments (Note 7)	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Executive director						
Ms. Li Wing Sze	—	420	90	12	—	522
Mr. Ng Chi Keung	—	1,020	180	12	—	1,212
Mr. Lau Dicky	—	408	86	12	—	506
Mr. Cheung Nam Chung (Chief Executive Officer)	—	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 (Chairman)	360	—	30	—	—	390
Dr. Wu Dingjie	96	—	8	—	—	104
Mr. Yoshida Tsuyoshi	126	—	13	—	—	139
	929	2,858	575	322	—	4,684

During the year, no emoluments (2012: Nil) were paid by the Group to any of the Directors as inducement to join or upon joining the Group or as a compensation for loss of office. None of the Directors waived or agreed to waive any remuneration for the years ended 31 March 2013 and 2012.

Note:

1. Appointed on 25 June 2012

2. Removed on 12 September 2012

3. Elected on 12 September 2012

4. Appointed on 22 February 2013

5. Resigned on 6 March 2013

6. Removed on 27 March 2013

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

   The details of the options granted, including the principal terms and number of options granted, are disclosed in Note 27.

9. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, three (2012: three) are Directors of the Company whose emoluments are disclosed in Note 8 above. The emoluments of the remaining two (2012: two) individuals, one of whom is a member of senior management of the Company, are as follows:

	2013 HK$'000	2012 HK$'000
Salaries and other emoluments	**794**	2,422
Equity-settled share-based payments	**1,811**	—
Retirement scheme contributions	**22**	18
	2,627	2,440

The emoluments of the two (2012: two) individuals with highest emoluments are within the following bands:

	2013 Number of individuals	2012 Number of individuals
HK$Nil–1,000,000	**1**	1
HK$1,000,001–2,000,000	**1**	1

10. RETIREMENT BENEFIT COSTS

Defined contribution retirement plan

The Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance. The MPF Scheme is a defined contribution retirement plan managed by independent trustees. Under the MPF Scheme, each of the Group (the employer) and its employees makes monthly contributions to the scheme at 5% of the employees' relevant income as defined under the Mandatory Provident Fund Schemes Ordinance. The contributions from each of the employer and employees are subject to a cap of HK$1,250 per month with effective from 1 June 2012 (Prior to 1 June 2012: HK$1,000 per month) and thereafter contributions are voluntary. Contributions to the plan vest timely and appropriately.

The employees of the Group's subsidiaries in the PRC are members of a state-sponsored retirement plan operated by the local government in the PRC and these subsidiaries make mandatory contributions to the state-sponsored retirement plan to fund the employees retirement benefits. The retirement contributions paid by the PRC subsidiaries are based on a certain percentage of the relevant portion of the payroll of all qualifying employees in accordance with the relevant regulations in the PRC and are charged to profit or loss as incurred. The Group discharges its retirement obligations upon payment of the retirement contributions to the state-sponsored retirement plan operated by the local governments in the PRC.

10. RETIREMENT BENEFIT COSTS (continued)

Defined contribution retirement plan (continued)

A new law of the PRC on employment contracts (the "Employment Contract Law") was adopted by the Standing Committee of the National People's Congress of the PRC in 2008 and became effective on 1 January 2008. Compliance with the requirements under the new law, in particular, the requirement of severance payment and non-fixed term employment contract led to increase in the staff costs of the Group.

Pursuant to the new Employment Contract Law, the PRC subsidiaries are required to enter into non-fixed term employment contract with employees who have worked for more than 10 years or with whom a fixed-term employment has been concluded for 2 consecutive terms. The employer is required to make a severance payment to the employee when the term of the employment contract expires unless the employee voluntarily terminates the contract or voluntarily rejects the offer to renew the contract which terms are no worse off than the terms of other employment contracts available to him/her. The severance payment will equal to the monthly wages times the number of full years that the employee has been working for the employer. In addition, minimum wages requirement has also been imposed.

The Group has no other material obligation for the payment of retirement benefits associated with the schemes beyond the contributions described above. The contributions paid which have been dealt with in profit or loss of the Group for the years ended 31 March 2012 and 2013 are as follows:

The total costs charged to the consolidated income statement of approximately HK$ 310,000 (2012: HK$198,000) represent contributions paid and payable to these schemes by the Group for the year at rates specified in the rules of the relevant schemes.

11. (LOSS)/PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

The consolidated (loss)/profit attributable to equity owners of the Company includes a loss of approximately HK$81,174,000 (2012: profit of HK$132,895,000) which has been dealt with in the financial statements of the Company.

12. DIVIDENDS

The directors do not recommend the payment of a dividend for the year ended 31 March 2013 (2012: Nil).

13. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the loss/profit attributable to owners of the Company of HK$38,632,000 (2012: profit of HK$162,251,000) and the weighted average number of ordinary shares in issue during the year, calculated as follows:

	2013 **'000**	2012 '000 (restated)
Issued ordinary shares at 1 April	**4,152,656**	4,152,656
Effect of share consolidation	**(3,945,023)**	(3,945,023)
Weighted average number of ordinary shares at 31 March	**207,633**	207,633

The weighted average number of ordinary shares of basic (loss)/earnings per share for both years have been adjusted for the share consolidation during the year.

(b) Diluted (loss)/earnings per share

The computation of diluted (loss)/earnings per share does not assume the exercise of certain of the Company's outstanding share options as the exercise price of those options is higher than the average market price for both years ended 31 March 2013 and 2012.

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:

	2013 HK$'000	2012 HK$'000
Macau	**4,800**	4,800
PRC	**694**	121
	5,494	4,921

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

	2013 HK$'000	2012 HK$'000
Macau	**1,205,528**	1,207,574
PRC	**752**	1,029
Hong Kong	**7,178**	5,304
	1,213,458	1,213,907

(b) Major customer

Revenue of HK$4,800,000 (2012: HK$4,800,000) was received from Greek Mythology for the year ended 31 March 2013.

15. PROPERTY, PLANT AND EQUIPMENT

(a) The Group

	Leasehold improvements HK$'000	Furniture and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
Cost:				
At 1 April 2011	527	1,172	2,456	4,155
Acquisition of a subsidiary	—	762	—	762
Additions	213	299	—	512
Exchange realignment	—	45	—	45
At 31 March 2012 and 1 April 2012	740	2,278	2,456	5,474
Additions	57	92	700	849
Disposals	—	(10)	(355)	(365)
Exchange realignment	4	18	—	22
At 31 March 2013	801	2,378	2,801	5,980
Accumulated depreciation:				
At 1 April 2011	31	708	1,755	2,494
Charge for the year	264	419	384	1,067
At 31 March 2012 and 1 April 2012	295	1,127	2,139	3,561
Charge for the year	287	485	180	952
Written back on disposal	—	(2)	(160)	(162)
Exchange realignment	2	7	—	9
At 31 March 2013	584	1,617	2,159	4,360
Carrying amount:				
At 31 March 2013	217	761	642	1,620
At 31 March 2012	445	1,151	317	1,913

15. PROPERTY, PLANT AND EQUIPMENT (continued)

(b) The Company

	Leasehold improvements HK$'000	Furniture and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
Cost:				
At 1 April 2011	526	1,173	2,456	4,155
Additions	—	19	—	19
At 31 March 2012 and 1 April 2012	526	1,192	2,456	4,174
Additions	26	18	700	744
Disposal	—	—	(354)	(354)
At 31 March 2013	552	1,210	2,802	4,564
Accumulated depreciation:				
At 1 April 2011	30	709	1,755	2,494
Charge for the year	175	237	384	796
At 31 March 2012 and 1 April 2012	205	946	2,139	3,290
Charge for the year	179	206	180	565
Written back on disposal	—	—	(159)	(159)
At 31 March 2013	384	1,152	2,160	3,696
Carrying amount:				
At 31 March 2013	168	58	642	868
At 31 March 2012	321	246	317	884

During the year, an addition to a motor vehicle of the Group and the Company financed by a new finance lease was HK$700,000 (2012: HK$Nil). At the end of the reporting period, the net book value of the motor vehicle held under finance leases of the Group and the Company was HK$642,000 (2012: HK$Nil).

16. INVESTMENT PROPERTIES

	The Group and the Company HK$'000
At fair value	
At 1 April 2011	4,140
Change in fair value	280
At 31 March 2012 and 1 April 2012	4,420
Change in fair value	1,890
At 31 March 2013	6,310

The investment properties are held in Hong Kong under long leases. The fair value of investment properties at 31 March 2013 and 31 March 2012 have been arrived at on an open market value basis calculated by reference to net rental income allowing for reversionary income potential by Grant Sherman Appraisal Limited and Ascent Partners Transaction Services Limited (the "Surveyors"), which are independent firms of professional valuers respectively. The Surveyors have amongst 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	
	2013 HK$'000	2012 HK$'000
Within 1 year	**3**	240
After 1 year but within 5 years	**—**	18
	3	258

17. INTANGIBLE ASSETS

	The Group		
	Right in sharing of profit stream of gaming tables related operation	**Right in sharing of profit stream of slot machines related operation**	**Total**
	HK$'000	HK$'000	HK$'000
Cost:			
At 1 April 2011, 31 March 2012, 1 April 2012 and 31 March 2013	20,000	47,092	67,092
Accumulated Amortisation and impairment losses:			
At 1 April 2011	6,183	42,499	48,682
Charge for the year	1,535	510	2,045
At 31 March 2012 and 1 April 2012	7,718	43,009	50,727
Charge for the year	1,535	511	2,046
At 31 March 2013	9,253	43,520	52,773
Carrying amount:			
At 31 March 2013	10,747	3,572	14,319
At 31 March 2012	12,282	4,083	16,365

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 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 future 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 2011, 31 March 2012, 1 April 2012 and 31 March 2013	18,309
Impairment:	
At 1 April 2011	—
Impairment	18,309
At 31 March 2012, 1 April 2012 and 31 March 2013	18,309
Carrying amount:	
At 31 March 2012 and 31 March 2013	—

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., "LE-Guangxi") during the year ended 31 March 2011. On 1 November 2010, Nanning Inter-Joy was 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. On 31 October 2012, the licence was renewed and LE-Guangxi has been permitted to provide the above-mentioned services to Guangxi Public Welfare Lottery Issue Centre till 29 October 2015.

For the impairment testing, goodwill is allocated to the cash-generating unit ("CGU") engaged in the 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 calculations. These calculations use cash flow projections based on financial budget approved by the management covering a period up to the expiry of the licence of providing the services to Guangxi Public Welfare Lottery Issue Centre in July 2013 and extrapolating cash flows for the following three years based on estimated growth rates of 3%–349%. The discount rate applied to the cash flow projections was 10.87%.

A full impairment loss of HK$18,309,000 has been recognised in profit or loss for the year ended 31 March 2012. The impairment loss arose in view of deterioration in revenue and operating results of the CGU last year.

19. INVESTMENTS IN SUBSIDIARIES

	2013 HK$'000	2012 HK$'000
Unlisted shares, at cost	**118,790**	118,790
Less: impairment loss	**(94,328)**	(94,328)
	24,462	24,462

In 2012, an impairment loss of HK$94,328,000 was recognised based upon the directors' estimation on the net recoverable amount of the investments in subsidiaries. No further impairment loss was recognised for the year ended 31 March 2013.

Particulars of subsidiaries as at 31 March 2013 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		Principal activities
			Directly	Indirectly	
Ace High Group Limited ("Ace High")	BVI/ Hong Kong	10,000 ordinary shares of US$1	100%	—	Investment in junket related operation
GMC Management Limited	Hong Kong/ Hong Kong	10,000 ordinary shares of HK$1	100%	—	Inactive
Gold Faith Development Limited	BVI/ Hong Kong	50,000 ordinary shares of US$1	100%	—	Inactive
Hong Kong Macau Express Limited	Hong Kong/ Hong Kong	750,000 ordinary shares of HK$1	51%	—	Inactive
Jadepower Limited	BVI/ Macau	1,000 ordinary shares of US$1	100%	—	Investment in slot machines related operation
Super Peak Limited	BVI/ Hong Kong	1,000 ordinary shares of US$1	100%	—	Not yet commence business
Thousand Ocean Investments Limited	BVI/ Macau	1,000 ordinary shares of US$1	100%	—	Investment in gaming tables related operation

19. INVESTMENTS IN SUBSIDIARIES (continued)

Name of company	Place of incorporation/ operation	Particulars of issued and fully paid-up capital	Proportion of ownership interest held by the Company		Principal activities
			Directly	Indirectly	
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	100%	–	Not yet commence business
Win Macau Express Limited	Hong Kong/ Hong Kong	1 ordinary share of HK$1	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	–	51%	Not yet commence business
南寧樂彩互動信息服務有限公司 (LE-Guangxi)*	PRC/ PRC	HK$8,930,000	–	78%	Provision of software, hardware, transmission network and distribution of marketing service to Guangxi Public Welfare

* Registered under the laws of the PRC as a sino-foreign equity enterprise.

In September 2010, the Group acquired 60% equity interest in LE-Guangxi through the acquisition of Le Rainbow China Limited. Since acquisition, LE-Guangxi was regarded as an associate of the Group until 30 May 2011 as the Group was not in a position to control the board of LE-Guangxi and, therefore, had no power to govern its financial and operating policies during the period.

On 31 March 2012, the Group increased its equity interest in LE-Guangxi from 60% to 70%. With effect from 30 May 2011, the Group has power to appoint a majority of directors to the board of LE-Guangxi, and since then LE-Guangxi has been regarded as a subsidiary.

During the year, the Group made further investment to LE-Guangxi and increased its equity interest from 70% to 78%.

20. INTEREST IN AN ASSOCIATE

	The Group		The Company	
	2013	2012	**2013**	2012
	HK$'000	HK$'000	**HK$'000**	HK$'000
Unlisted shares, at cost	**—**	—	**2,332,479**	2,332,479
Share of net assets	**1,191,209**	1,191,209	**—**	—
Sub-total	**1,191,209**	1,191,209	**2,332,479**	2,332,479
Less: Impairment loss				
1 April	**—**	—	**1,141,270**	1,381,741
Reversed during the year	**—**	—	**—**	(240,471)
31 March	**—**	—	**1,141,270**	1,141,270
	1,191,209	1,191,209	**1,191,209**	1,191,209

Particulars of the associate as at 31 March 2013 are as follows:

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

Summary financial information of the associate is set out below:

2013	Assets HK$'000	Liabilities HK$'000	Equity HK$'000	Revenues HK$'000	Profit/ (loss) HK$'000
100 per cent	**5,037,959**	**(234,694)**	**4,803,265**	**N/A**	**N/A**
Group's effective interest	**1,249,390**	**(58,181)**	**1,191,209**	**N/A**	**N/A**

20. INTEREST IN AN ASSOCIATE (continued)

2012	Assets HK$'000	Liabilities HK$'000	Equity HK$'000	Revenues HK$'000	Profit/(loss) HK$'000
100 per cent	5,037,959	(234,694)	4,803,265	3,321,664	966,283
Group's effective interest	1,249,390	(58,181)	1,191,209	823,441	238,364

The above summary financial information of Greek Mythology is based on its unaudited financial information for the year ended 31 March 2012 adjusted by the Group to account for an intangible asset of Greek Mythology.

Since the financial information for the year ended 31 March 2013 of Greek Mythology is not available, the interest in the associate was accounted for in the consolidated financial statements under the equity method using the unaudited financial information of the associate as at 31 March 2012. The carrying amount of the interest in an associate of HK$1,191,209,000 brought forward from 1 April 2012 was carried forward to 31 March 2013.

Included in the non-current assets of the associate as at 31 March 2012 is an intangible asset of HK$2,386,373,000 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 coordination of casino activities 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 makes assessment for 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 (2012: four years) are extrapolated using the estimated rates stated below.

	2012 %
— Growth in revenue year-on-year	0
— Discount rate	15.25

20. INTEREST IN AN ASSOCIATE (continued)

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 were 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 is necessary at the associate level. The Group's share of reversal of impairment loss of the intangible asset of HK$152,104,000 is included in the Group's share of profit of an associate in the consolidated income statement for the year ended 31 March 2012.

21. OTHER FINANCIAL ASSETS

	Note	**2013** **HK$'000**	2012 HK$'000
The Company			
Loan to a subsidiary	(a)	**1,850,000**	1,850,000
Less: Impairment loss		**(1,850,000)**	(1,850,000)
		—	—
The Group			
Available-for-sale financial asset	(b)	**2,095,268**	2,095,268
Less: Impairment loss		**(2,095,268)**	(2,095,268)
		—	—

	The Group		**The Company**	
	2013 **HK$'000**	2012 HK$'000	**2013** **HK$'000**	2012 HK$'000
Costs:				
At 1 April	**2,095,268**	2,064,332	**1,850,000**	1,819,064
Additions	**—**	30,936	**—**	30,936
At 31 March	**2,095,268**	2,095,268	**1,850,000**	1,850,000

21. OTHER FINANCIAL ASSETS (continued)

	The Group		The Company	
	2013 **HK$'000**	2012 HK$'000	**2013** **HK$'000**	2012 HK$'000
Impairment loss				
— through profit or loss	**2,095,268**	1,900,000	**1,850,000**	1,850,000
— through statement of comprehensive income	**—**	195,268	**—**	—
	2,095,268	2,095,268	**1,850,000**	1,850,000

(a) Loan to a subsidiary

The loan to a subsidiary was used for financing the loan provided to AMA International Limited ("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 (2012: 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 sharing the gaming wins of those collaborators who then dealt directly with the Gaming Operator and received 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.

21. OTHER FINANCIAL ASSETS (continued)

(b) Available-for-sale financial asset (continued)

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 for 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	**2013 HK$'000**	2012 HK$'000	**2013 HK$'000**	2012 HK$'000
Trade receivables	(a)	**468,294**	468,294	**–**	–
Less: Allowance for doubtful debts		**(468,294)**	(468,294)	**–**	–
		–	–	**–**	–
Other receivables	(b)	**3,275**	410	**41**	12
Due from an associate	(c)	**70,365**	65,967	**13**	13
Due from subsidiaries	(d)	**–**	–	**46,526**	90,655
Loans and receivables		**73,640**	66,377	**46,580**	90,680
Rental and other deposits		**437**	774	**387**	384
Prepayments		**2,734**	705	**666**	674
		76,811	67,856	**47,633**	91,738

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.

22. TRADE AND OTHER RECEIVABLES (continued)

(a) Trade receivables

Transfer of profits of AMA

The transfer of profits of AMA for the periods prior to 1 April 2009 has been overdue for over 3 years (2012: overdue for over 2 years). Due to financial difficulties of AMA, an impairment loss of HK$468,294,000 was recognised in the year ended 31 March 2010.

Impairment of trade debtors

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade debtors directly (see Note 2(l)(i)).

The movement in the allowance for doubtful debts during the year, including both specific and collective loss components, is as follows:

	The Group	
	2013 HK$'000	2012 HK$'000
At the beginning of the year and at the end of the year	**468,294**	468,294

At 31 March 2013, the Group's trade receivables of HK$468,294,000 (2012: HK$ 468,294,000) was individually determined to be impaired. The individually impaired receivables represented amount due from AMA which encountered financial difficulties as detailed in Note 21(b).

(b) Other receivables

	The Group		The Company	
	2013 HK$'000	2012 HK$'000	**2013 HK$'000**	2012 HK$'000
Other receivables	**28,575**	25,710	**25,341**	25,312
Less: Impairment losses	**(25,300)**	(25,300)	**(25,300)**	(25,300)
	3,275	410	**41**	12

22. TRADE AND OTHER RECEIVABLES (continued)

(b) Other receivables (continued)

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

	The Group and the Company	
	2013 **HK$'000**	2012 HK$'000
At 1 April	**25,300**	26,800
Reversal of impairment loss	**–**	(1,500)
At 31 March	**25,300**	25,300

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

(c) Due from an associate

The amount due from Greek Mythology, the associate of the Company, is unsecured, non-interest-bearing and has no fixed terms of repayment. Impairment allowance has not been made against the amount as at 31 March 2013 and 31 March 2012 as the Directors of the Company are of the opinion that the amount can be recovered in full.

(d) Due from subsidiaries

	The Company	
	2013 **HK$'000**	2012 HK$'000
Due from subsidiaries	**95,060**	95,339
Less: Impairment loss	**(48,534)**	(4,684)
	46,526	90,655

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

An impairment loss of HK$48,534,000 (2012: HK$4,684,000) was recognised based upon the directors's estimation of the recoverable amount of the amounts due from subsidiaries.

23. TRADE AND OTHER PAYABLES

	Note	The Group 2013 HK$'000	The Group 2012 HK$'000	The Company 2013 HK$'000	The Company 2012 HK$'000
Trade payables	(a)	**912**	894	**—**	—
Accruals and other payables	(b)	**107,525**	105,095	**3,545**	2,261
Due to related companies	(c)	**156**	159	**—**	—
Due to subsidiaries	(c)	**—**	—	**194,475**	183,399
Financial liabilities measured at amortised cost		**108,593**	106,148	**198,020**	185,660

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

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

	The Group 2013 HK$'000	The Group 2012 HK$'000
Within 1 month	**59**	41
Over 1 year	**853**	853
	912	894

(b) Included in Group's accruals and other payables as at 31 March 2013 was the entitlement of the 20% share of profits from AMA payable to Mr. Albino amounting to HK$102,439,000 (2012: HK$102,439,000).

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

24. OBLIGATIONS UNDER A FINANCE LEASE

At 31 March 2013, the Group and the Company had obligations under a finance lease repayable as follows:

	The Group and the Company	
	2013	
	Present value of the minimum lease payments HK$'000	Total minimum lease payments HK$'000
Within 1 year	134	154
After 1 year but within 2 years	139	154
After 2 years but within 5 years	320	334
	459	488
	593	642
Less: Total future interest expenses		(49)
Present value of lease obligations		593

The Group and the Company had no obligation under a finance lease in 2012.

25. PROMISSORY NOTES

	The Group and the Company	
	2013	2012
	HK$'000	HK$'000
At 1 April	**145,057**	135,568
Add: Effective interest on promissory notes (see Note 6)	**10,153**	9,489
At 31 March	**155,210**	145,057

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 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, applying the effective interest rate of 7% per annum to the promissory notes.

(a) Pursuant to a subscription agreement (the "Subscription Agreement") entered into between the Company and a shareholder and director of the Company, Mr. Ng Man Sun, ("Mr. Ng") irrevocably undertook and guaranteed the Company that the irrecoverable debts from certain collaborators of AMA should not be more than HK$50,000,000 for the year ended 31 March 2010. Otherwise, Mr. Ng would compensate the Company by offsetting against his promissory notes for the excess of irrecoverable debts with a cap of face value of HK$300,000,000.

In addition, during the year ended 31 March 2010, Mr. Ng irrevocably undertook and guaranteed the Company that the repayment of debts due from specific collaborators of AMA of up to HK$300,000,000 on security of other promissory notes with a total face value of HK$300,000,000.

During the year ended 31 March 2010, AMA made an allowance for impairment of bad and doubtful debts of approximately HK$2,515,674,000 which included the amounts due from specific collaborators.

As a result, approximately HK$400,106,000 was deducted from the face value of the promissory notes of HK$600,000,000 held by Mr. Ng to offset against the bad and doubtful debts in AMA and recognised in the consolidated income statement for the year ended 31 March 2010.

(b) The loans to promissory notes holders were fully set-off against the face value of the promissory notes. The accrued loan interest was recognised in the consolidated income statement.

26. 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 2011	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 and at 1 April 2012	41,527	324,160	2,285,052	6,225	(1,666,165)	990,799
Total comprehensive loss for the year	—	—	—	—	(81,174)	(81,174)
Equity-settled share-based transactions	—	—	—	7,445	—	7,445
Share options forfeited	—	—	—	(6,225)	6,225	—
At 31 March 2013	41,527	324,160	2,285,052	7,445	(1,741,114)	917,070

(b) Share capital

	Note	Number of ordinary shares of HK$0.01 per share '000	Number of ordinary shares of HK$0.2 per share '000	HK$'000
Authorised:				
At 1 April 2011, 31 March 2012 and 1 April 2012	(i)	8,000,000	—	80,000
Share consolidation		(8,000,000)	400,000	—
At 31 March 2013		—	400,000	80,000

26. CAPITAL AND RESERVES (continued)

(b) Share capital (continued)

	Note	Number of ordinary shares of HK$0.01 per share '000	Number of ordinary shares of HK$0.2 per share '000	HK$'000
Issued and fully paid:				
At 1 April 2011, 31 March 2012 and 1 April 2012		4,152,656	—	41,527
Share consolidation	(i)	(4,152,656)	207,633	—
At 31 March 2013		—	207,633	41,527

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

(i) Pursuant to an ordinary resolution passed by the shareholders of the Company at the special general meeting of the Company held on 27 March 2013, the consolidation of ordinary shares in the share capital of the Company (on the basis that every 20 then existing issued and unissued ordinary shares of HK$0.01 each were consolidated into 1 ordinary share of HK$0.2 each) was approved effective from 27 March 2013.

(c) Nature and purpose of reserves

(i) Share premium

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

(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 of the subsidiaries pursuant to the corporate reorganisation prior to the listing of the Company's shares.

26. CAPITAL AND RESERVES (continued)

(c) Nature and purpose of reserves (continued)

(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.

(iv) Capital reserve

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

(v) Exchange reserve

The exchange reserve comprises all foreign exchange differences on translation of the financial statements of group entities outside Hong Kong. The reserve is dealt with in accordance with accounting policy set out in Note 2(v).

(vi) Other reserve

The other reserve of the Group represents the change in net assets attributable to the Group in relation to change in ownership interest in subsidiary.

(d) Distributable reserves

As at 31 March 2013, the aggregate amount of reserves of the Company available for distribution to owners of the Company amounted to HK$543,938,000 (2012: HK$618,887,000) 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.

26. CAPITAL AND RESERVES (continued)

(e) Capital management (continued)

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, finance lease trade and other payables) less cash and cash equivalents. Capital comprises all components of equity excluding non-controlling interests.

During the year ended 31 March 2013, 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.

The net debt-to-capital ratio as at 31 March 2013 and 2012 is as follow:

	The Group		The Company	
	2013 HK$'000	2012 HK$'000	**2013 HK$'000**	2012 HK$'000
Current liabilities				
— Trade and other payables	**108,593**	106,148	**198,020**	185,660
— Obligations under a finance lease	**134**	—	**134**	—
Non-current liabilities				
— Promissory notes	**155,210**	145,057	**155,210**	145,057
— Obligations under a finance lease	**459**	—	**459**	—
Total debt	**264,396**	251,205	**353,823**	330,717
Less: Cash and cash equivalents	**(1,199)**	(28,434)	**(411)**	(8,803)
Net debt	**263,197**	222,771	**353,412**	321,914
Total equity	**1,027,072**	1,058,992	**917,070**	990,799
Adjusted net debt-to-capital ratio	**26%**	21%	**39%**	33%

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

27. SHARE OPTION SCHEME

Previous Scheme

The Company had a share option scheme (the "Previous Scheme") which was adopted on 12 August 2002 whereby the Directors of the Company were authorised, at their discretion, within a period of ten years to 11 August 2012, 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 per grant of options to subscribe for shares of the Company. The options give the holder the right to subscribe for ordinary shares 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.

Existing Scheme

The Company's new share option scheme (the "Existing Scheme"), which was adopted pursuant to an ordinary resolution passed by the shareholders of the Company on 12 September 2012 for the purpose of providing incentives to certain eligible participants and unless otherwise cancelled or amended, will expire on 12 September 2022. Under the Existing Scheme, the Directors may grant share options to eligible employees, including Executive Directors, or any persons or entities who have contributed or will contribute to the growth and development of the Group, to subscribe for shares in the Company.

Under the Existing Scheme, the Directors of the Company may grant options to the following eligible participants:

(i) any employee, executives or officers or proposed employees, executives or officers (whether full time or part time and including any Executive Director) of the Company, and of its subsidiaries or any entity (the "Invested Entity") in which the Group holds any equity interests and any of such subsidiaries or any Invested Entity;

(ii) any Non-executive Directors (including Independent Non-executive Directors) of the Company and any of its subsidiaries or any Invested Entity;

(iii) any supplier of goods or services to any member of the Group or any Invested Entity;

(iv) any customer of the Group or any Invested Entity;

(v) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity; and

(vi) any person or entity who from time to time determined by the board of directors as having contributed or may contribute to the development and growth of the Group based on his or its performance and/or years of service, or is regarded as valuable resources of the Group based on his/its working experience, knowledge in the industry and other relevant factors.

27. SHARE OPTION SCHEME (continued)

Existing Scheme (continued)

The total number of shares which may be issued upon exercise of all options to be granted under the Existing Scheme of the Company must not in aggregate exceed 10% of the Shares in issue at the date of approval of the Existing Scheme. The total number of shares available for issue under the Existing Scheme was 415,265,572 shares, representing approximately 10% of the Shares in issue as at the date of approval of the Existing Scheme on 12 September 2012.

The maximum number of shares in respect of which options may be granted under the Existing Scheme must not in aggregate exceed 30% of the shares of the Company in issue from time to time. The number of shares in respect of which options may be granted to any participant is not permitted to exceed 1% of the shares of the Company in issue during the 12-month period before the date of grant without prior approval from the Company's shareholders. Any grant of options under the Existing Scheme to a Director, chief executive or substantial shareholder of the Company or any of their respective associates (as defined under the Listing Rules) must be approved by the Independent Non-Executive Directors of the Company. In addition, any grant of options to a substantial shareholder or an Independent Non-Executive Director or any of their respective associates in excess of 0.1% of the shares of the Company in issue and with an aggregate value (based on the closing price of the Company's shares at the date of grant) in excess of HK$5 million within any 12-month period must be approved by shareholders of the Company in general meeting.

Unless otherwise determined by the Directors of the Company and stated in the offer of the grant of options to a grantee, there is no minimum period required under the Existing Scheme for holding of an option before it can be exercised.

An offer for the grant of options to a grantee shall be accepted by no later than 28 days from the date of offer. HK$1 per grant of options is payable on the acceptance of the grant of options. Options may be exercised in accordance with the terms of the Existing Scheme and expiring in accordance with the terms of the Existing Scheme or upon the expiry of the tenth anniversary of the Existing Scheme, whichever is the earlier.

The exercise price is determined by the Directors of the Company, and shall not be less than the highest of (i) the closing price of the Company's shares as stated in the daily quotations sheets of the Stock Exchange on the date of the offer of grant; (ii) the average closing price of the Company's shares as stated in the daily quotations sheets of the Stock Exchange for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the Company's share.

The Existing Scheme will remain in force for a period of 10 years commencing on 12 September 2012.

27. SHARE OPTION SCHEME (continued)

(a) Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

				Number of shares issuable under options granted									
Date of grant	**Vesting date**	**Exercisable period**	**Exercise price per share**	**Outstanding at 1 April 2011**	**Granted**	**Lapsed**	**Outstanding at March 2012 and 1 April 2012**	**Granted**	**Lapsed**	**Share consolidation**	**Outstanding at 31 March 2013**	**Exercisable at 31 March 2013**	**Contractual life of options**
28 January 2008	immediately vested	28 January 2008 to 27 January 2018	HK$0.736	2,200,000	–	–	2,200,000	–	(2,000,000)	–	–	–	10 years
28 January 2008	28 January 2008 to 27 January 2009	28 January 2009 to 27 January 2018	HK$0.736	1,650,000	–	–	1,650,000	–	(1,650,000)	–	–	–	10 years
28 January 2008	28 January 2008 to 27 January 2010	28 January 2010 to 27 January 2018	HK$0.736	1,650,000	–	–	1,650,000	–	(1,650,000)	–	–	–	10 years
28 January 2008	immediately vested	28 January 2008 to 27 January 2018	HK$0.736	3,600,000	–	–	3,600,000	–	(3,600,000)	–	–	–	10 years
28 January 2008	28 January 2008 to 27 January 2009	28 January 2009 to 27 January 2018	HK$0.736	2,700,000	–	–	2,700,000	–	(2,700,000)	–	–	–	10 years
28 January 2008	28 January 2008 to 27 January 2010	28 January 2010 to 27 January 2018	HK$0.736	2,700,000	–	–	2,700,000	–	(2,700,000)	–	–	–	10 years
23 April 2009	23 April 2009 to 22 April 2010	23 April 2010 to 22 April 2019	HK$0.193	3,000,000	–	–	3,000,000	–	(3,000,000)	–	–	–	10 years
12 May 2009	12 May 2009 to 11 May 2010	12 May 2010 to 11 May 2019	HK$0.229	7,700,000	–	(2,600,000)	5,100,000	–	(5,100,000)	–	–	–	10 years
5 February 2013	immediately vested	5 February 2013 to 4 February 2023	HK$1.54*	–	–	–	–	24,000,000	(12,000,000)	(11,400,000)	600,000#	600,000#	10 years#
5 February 2013	immediately vested	5 February 2013 to 4 February 2023	HK$1.54*	–	–	–	–	40,000,000	–	(38,000,000)	2,000,000#	2,000,000#	10 years#
5 February 2013	immediately vested	5 February 2013 to 4 February 2023	HK$1.54*	–	–	–	–	25,000,000	–	(23,750,000)	1,250,000#	1,250,000#	10 years#
				25,200,000	–	(2,600,000)	22,600,000	89,000,000	(34,600,000)	(73,150,000)	3,850,000#	3,850,000#	
Weighted average exercise price				HK$0.5164	–	HK$0.229	HK$0.5495	HK$0.077	HK$0.3856	HK$0.077	HK$1.54#	HK$1.54#	

* Taking into account the effect of after share consolidation (Note 26)

\# Number of shares after share consolidation (Note 26)

The options outstanding at 31 March 2013 had an exercise price of HK$1.54 (2012: HK$0.1930 to 0.7360) and a weighted average remaining contractual life of 9.9 years (2012: 3.5years).

The Group recognised an expense of approximately HK$7,445,000 (2012: Nil) for the year ended 31 March 2013 in relation to share options granted by the Company.

27. SHARE OPTION SCHEME (continued)

(b) Fair value of share options and assumptions

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

	Date of grant 5 February 2013
Fair value of share options and assumptions	
Fair value at measurement date	**HK$1.44***
Share price	**HK$1.54***
Exercise price	**HK$1.54***
Expected volatility (expressed as weighted average volatility used in the modeling under the Binominal Option Pricing Model)	**126.44%**
Option life (expressed as weighted average life used in the modeling under the Binomial Option Pricing Model)	**10 years**
Expected dividends	**0%**
Risk-free interest rate (based on exchange fund notes)	**1.245%**

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.

28. FINANCIAL INSTRUMENTS

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

(a) Credit risk

The Group's credit risk was primarily attributable to amount due from an associate, other receivables and cash and cash equivalents. The 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 settling 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.

The Company's credit risk is primarily attributable to other receivables, amounts due from subsidiaries and an associate. The Company reviews those receivable amounts of individual debts at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

(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 and adequate committed lines of funding from major loan lenders to meet its liquidity requirements in the short and longer term.

The following table details the remaining contractual maturities at the 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 current rates at the end of the reporting period) and the earliest date the Group and the Company can be required to pay:

28. FINANCIAL INSTRUMENTS (continued)

(b) Liquidity risk (continued)

(i) The Group

	2013				
	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**
Obligations under a finance lease	**593**	**642**	**154**	**154**	**334**
Promissory notes	**155,210**	**189,998**	**—**	**—**	**189,998**
Trade and other payables	**108,593**	**108,593**	**108,593**	**—**	**—**
	264,396	**299,233**	**108,747**	**154**	**190,332**

	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	—	—	189,998
Trade and other payables	106,148	106,148	106,148	—	—
	251,205	296,146	106,148	—	189,998

28. FINANCIAL INSTRUMENTS (continued)

(b) Liquidity risk (continued)

(ii) The Company

	2013				
	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**
Obligations under a finance lease	**593**	**642**	**154**	**154**	**334**
Promissory notes	**155,210**	**189,998**	**—**	**—**	**189,998**
Trade and other payables	**198,020**	**198,020**	**198,020**	**—**	**—**
	353,823	**388,660**	**198,174**	**154**	**190,332**

	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	—	—	189,998
Trade and other payables	185,660	185,660	185,660	—	—
	330,717	375,658	185,660	—	189,998

28. FINANCIAL INSTRUMENTS (continued)

(c) Interest rate risk

The Group's and the Company's interest rate risk arises primarily from obligations under a finance lease. The obligations under finance leases issued are at fixed interest rates which expose the Group and the Company to fair value interest rate risk. The Group does not expect any significant changes in fixed interest rates which might materially affect the Group's and the Company's result of operations.

(d) Currency risk

The Group and the Company are 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 value as at 31 March 2013 and 2012.

29. OPERATING LEASE COMMITMENTS

At 31 March 2013, the total future minimum lease payments payable under non-cancellable operating leases are as follows:

	The Group and the Company	
	2013 **HK$'000**	2012 HK$'000
Within one year	**922**	1,481
In the second to fifth year	**–**	916
	922	2,397

The Group is the lessee of a number of properties held under operating leases. The leases typically run for an initial period of 1 to 3 years. The leases do not include extension options. None of the leases includes contingent rentals.

30. MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration of key management personnel of the Group, including amounts paid to the Company's Directors as disclosed in Note 8 and certain of the highest paid employees as disclosed in Note 9 is as follows:

	The Group	
	2013 HK$'000	2012 HK$'000
Salaries and other short-term employee benefits	**7,964**	6,185
Retirement scheme contributions	**194**	327
	8,158	6,512

Total remuneration is included in "staff costs" (see Note 5(a)).

(b) Other 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	
	2013 HK$'000	2012 HK$'000
Fixed monthly income from investments in gaming tables and slot machines related operations from Greek Mythology	**4,800**	4,800

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

31. 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 LE-Guangxi, 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 LE-Guangxi. The other shareholder of LE-Guangxi also made additional capital injection of HK$1,157,000 into LE-Guangxi.

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

As at 31 March 2011, the additional capital of HK$4,500,000 was not yet injected into LE-Guangxi and, therefore, the Group was not in a position to control a majority of the directors of LE-Guangxi. Accordingly, LE-Guangxi 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.

31. 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.

31. ACQUISITION OF SUBSIDIARIES (continued)

(b) On 30 May 2011, the capital injection of HK$4,500,000, as mentioned in Note 31(a), was completed. Accordingly, the Group is in a position to control a majority of the directors of LE-Guangxi which has since then become a subsidiary of the Group. As a result of this capital injection, the Group's equity interest in LE-Guangxi 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 LE-Guangxi	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 LE-Guangxi	(3,343)
Cash and cash equivalents balance acquired	4,691
Net cash inflow	1,348

LE-Guangxi 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, LE-Guangxi 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.

32. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(a) Key sources of estimation uncertainty

In the process of applying the Group's accounting policies which are described in Note 2, the management has made certain key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as discussed below.

(i) Useful lives and residual values of property, plant and equipment

The management determines the estimated useful lives and residual values for the Group's property, plant and equipment in accordance with the accounting policy stated in Note 2(i). The Group will revise the depreciation charge where useful lives and residual values are different from previous estimates, or will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

(ii) Estimation of impairment of property, plant and equipment

In determining whether an asset is impaired or the event previously causing the impairment no longer exists, the Group has to exercise judgement in assessing whether an event has occurred that may affect the asset value or such event affecting the asset value has not been in existence.

Such assessment is based on certain assumptions, which are subject to uncertainty and might differ materially from the actual results. In exercising judgement, the Group considers information such as the amounts of the replacement cost of the property, plant and equipment and deductions to account for the age, condition, economic or functional obsolescence and environmental factors existing at the end of each reporting period. As at 31 March 2013, the carrying amount of the Group's property, plant and equipment is approximately HK$1,620,000 (2012: HK$1,913,000).

(iii) Estimation of impairment of intangible assets

The Group performs annual assessments on whether there has been impairment of intangible assets in accordance with the accounting policy stated in Note 2(l)(ii). The recoverable amounts of cash-generating units are determined based on value in use calculations. These calculations require the use of estimates and assumptions made by management on the future operation of the business, pre-tax discount rates, and other assumptions underlying the value in use calculations. As at 31 March 2013, the carrying amount of the Group's intangible assets is approximately HK$14,319,000 (2012: HK$16,365,000). Details of the impairment of intangible assets are disclosed in Note 17.

32. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

(a) Key sources of estimation uncertainty (continued)

(iv) Amortisation of intangible assets

Intangible assets are amortised on a straight-line basis over their estimated useful lives in accordance with the accounting policy stated in Note 2(j). The determination of the useful lives involves the management's estimation. The Group re-assesses the useful life of the intangible assets and, if the expectation differs from the original estimate, such a difference may impact the amortisation in the year and the estimate will be changed in the future period.

(v) Estimation of impairment of receivables

The policy for recognising impairment on receivables of the Group is based on the evaluation of collectibility, ageing analysis of accounts and on the management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, an impairment may be required. As at 31 March 2013, the carrying amount of the Group's trade and other receivables is approximately HK$76,811,000 (2012: HK$67,856,000).

(vi) 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 2013 are set out in Note 2(b).

32. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

(b) Critical accounting judgements in applying the Group's accounting policies

In determining the carrying amounts of some assets and liabilities, the Group makes assumptions for the effects of uncertain future events on those assets and liabilities at the end of the reporting period. These estimates involve assumptions about such items as cash flows and discount rates used. The Group's estimates and assumptions are based on historical experience and expectations of future events and are reviewed periodically. In addition to assumptions and estimations of future events, judgements are also made during the process of applying the Group's accounting policies.

(i) Income taxes and deferred taxation

The Group is subject to income tax in Hong Kong and various taxes in PRC. Significant judgement is required in determining the provision for taxation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax and deferred tax provisions in the period in which such determination is made.

33. COMPARATIVE FIGURES

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

34. NON-ADJUSTING EVENTS AFTER REPORTING PERIOD

On 4 June 2013, the Company entered into a placing agreement with a placing agent to place up to 9,600,000 new shares at a price of HK$0.83 per placing share. The new shares represent approximately 4.62% of the issued share capital of the Company as of 4 June 2013 and approximately 4.42% of the existing issued share capital as enlarged by the allotment and issue of the placing shares.

On 28 June 2013, the Company entered into a non-legally binding letter of intent to acquire 51% interest of Southern Ruby Limited, which has entered into two memorandums of understanding to obtain an exclusive right to set up and operate a casino situated in a hotel located in Turkish Republic of Northern Cyprus ("TRNC") and to acquire 10% interest of that hotel.

Five-Year Financial Summary

RESULTS

	Year ended 31 March				
	2013 HK$'000	2012 HK$'000	2011 HK$'000 (restated)	2010 HK$'000	2009 HK$'000
TURNOVER					
Continuing operations	**5,494**	4,921	4,860	5,551	416,094
Discontinued operations	**—**	—	—	—	25,170
	5,494	4,921	4,860	5,551	441,264
PROFIT/(LOSS) BEFORE TAXATION					
Continuing operations	**(39,384)**	161,092	555,334	(2,477,499)	48,465
Discontinued operations	**—**	—	—	—	30,325
	(39,384)	161,092	555,334	(2,477,499)	78,790
INCOME TAX					
Continuing operations	**—**	—	—	—	—
Discontinued operations	**—**	—	—	—	—
	—	—	—	—	—
PROFIT/(LOSS) FOR THE YEAR					
Continuing operations	**(39,384)**	161,092	555,334	(2,477,499)	48,465
Discontinued operations	**—**	—	—	—	30,325
	(39,384)	161,092	555,334	(2,477,499)	78,790

ASSETS AND LIABILITIES

	At 31 March				
	2013 HK$'000	2012 HK$'000	2011 HK$'000 (restated)	2010 HK$'000	2009 HK$'000
TOTAL ASSETS	**1,291,468**	1,310,197	1,138,046	632,406	3,724,623
TOTAL LIABILITIES	**(264,396)**	(251,205)	(241,999)	(339,774)	(1,053,231)
SHAREHOLDERS' FUNDS	**1,027,072**	1,058,992	896,047	292,632	2,671,392

Property Information

INVESTMENT PROPERTIES

Location	Use	Tenure	Attributable interest of the Group
Units 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%