Annual Report 2014

AMAX

Amax International Holdings Limited

奧瑪仕國際控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 959)

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
Mr. Li Chi Fai
Ms. Sie Nien Che, Celia

AUDIT COMMITTEE

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

COMPLIANCE COMMITTEE

Ms. Ng Wai Yee *(Chairman)*
Mr. Li Chi Fai
Mr. Wong Sze Lok *(Chief Financial Officer)*
Mr. Cheung Tai Chi *(Company Secretary)*

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

Mr. Cheung Tai Chi

AUDITOR

CCIF CPA Limited

LEGAL ADVISER

Robert C. C. Ip & Co

COMPLIANCE ADVISER

South China Capital Limited

INVESTOR RELATIONS CONSULTANT

Cornerstones Communications Ltd.

STOCK CODE

959

BRANCH SHARE REGISTRAR

Tricor Secretaries Limited
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183 Queen's Road East
Wanchai, Hong Kong

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Units 5106–07, 51/F.
The Center
99 Queen's Road Central
Central
Hong Kong

Chairman's Statement

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Directors") of Amax International Holdings Limited ("Amax" or the "Company"; stock code: 959) and its subsidiaries (collectively the "Group"), I present herewith the audited consolidated annual results of the Group for the year ended 31 March 2014 (the "year under review") (the "2014 Annual Results").

During the year under review, the Group made gradual progress in overcoming the challenges in the wake of a series of unforeseeable and unfortunate events originated in the past few years while taking a number of initiatives in consolidating its business resources and exploring investment opportunities overseas.

In August 2013, the Company officially changed its name to "Amax International Holdings Limited" and adopted "奧瑪仕國際控股有限公司" as its secondary name. The Group believes that the new name better represents the Company's vision and prospects in diversifying its investment portfolio in markets beyond Macau.

In terms of financial performance, the Group returned to a net profit position mainly due to the recognition of a one-off gain arising from the disposal of a wholly-owned subsidiary. The Group recorded a net profit of approximately HK$65.4million compared to a net loss of approximately HK$39.4 million for the financial year ended 31 March 2013.

On the other hand, the financial information for the year ended 31 March 2014 of Greek Mythology (Macau) Entertainment Group Corporation Limited ("Greek Mythology") was unavailable to the Company for the preparation of its consolidated financial statements. Thus, the 2014 Annual Results does not reflect the performance of Greek Mythology.

LEGAL ACTION AGAINST GREEK MYTHOLOGY

The Group holds 24.8% equity interest in Greek Mythology. During the year under review, the Company has taken further actions in an attempt to obtain the financial information of Greek Mythology but made no progress. Subsequently, the Company filed a court action in Macau in February 2014 against Greek Mythology in relation to its failure to provide the annual accounts to its shareholders. The court ruled favorably towards the Group on 19 May 2014 and requested the administrator of Greek Mythology to provide its management accounts for the year ended 31 December 2012 within 60 days. The Group is committed to making every effort in obtaining the financial information of Greek Mythology with a view to presenting the actual financial performance and position of the Group and protect the interests of our shareholders. We will inform our shareholders of the progress as the case develops.

ACQUISITION IN VANUATU

The Group foresaw a slowing growth in the gaming sector in Macau in the coming years, especially in the high roller segment, following the government's proposed measures to regulate the expansion of the gaming sector. The Group therefore decided to explore geographic diversification in its core business and seek to absorb the unfulfilled demand by establishing a casino operation outside Macau.

During the year under review, the Group announced its intention to acquire 60% of Forenzia Enterprises Limited ("Forenzia Enterprises"), a company that, through its wholly-owned subsidiaries, holds an interactive gaming license in the Republic of Vanuatu. We are confident that the acquisition will allow Amax to diversify its gaming business in Vanuatu, providing another stable income source to the Group.

CONSOLIDATION OF BUSINESS RESOURCES

The Group has further consolidated its resources and continued to assess existing investment opportunities. In February 2014, the Group disposed of Ace High Group Limited, which had ceased junket operation since December 2009 and was in liability at the time of disposal. The one-off gain recognised from the disposal helped the Group return to a net profit position in the year under review without any major impact on the Group's cash flow.

In January 2014, Nanning Inter-Joy LOTTO Information Service Co. Ltd. ("LE-Guangxi") entered into an agreement with Guangxi Welfare Lottery Issue Centre to develop an automated lottery selling system for the latter. The automated lottery selling system allows Li Guangxi to access a wide network of customers via internet in order to generate a more stable revenue.

APPOINTMENT OF THE COMPLIANCE ADVISER

The Company appointed South China Capital Limited as the Compliance Adviser of the Company and set up a compliance committee of the Board to review the company's key internal control policies and procedures to ensure the integrity and effectiveness of the Company's overall control and reporting systems. The Group is dedicated to uplifting and strengthening its compliance and corporate governance framework, in order to protect the interests of its shareholders and enhance the level of transparency to the public.

EYEING INVESTMENT OPPORTUNITIES

In the coming year, we will work on realizing the acquisition in Vanuatu while seeking investment prospects in other potential markets overseas to further develop our gaming and entertainment business.

As reflected in our new Company name, Amax aspires to develop into an investment holding company with a diverse investment portfolio in multiple markets. I am very confident about the prospects of the new investment plans.

WORDS OF APPRECIATION

On behalf of the Board, I would like to take this opportunity to thank the management and staff of the Group for their contributions in the past year. I would also like to thank our shareholders, customers and business partners for their ongoing trust and support.

Ng Man Sun
Chairman

Hong Kong, 27 June 2014

Management Discussion and Analysis

The Directors of the Company reports the audited consolidated results of the Group for the year ended 31 March 2014. The 2014 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 under review, the Group continued its effort in consolidating its business resources and expanding its core business beyond Macau with an aim to generating long-term value for the shareholders.

The Group recorded a net profit of approximately HK$65.4 million for the year under review compared to a net loss of approximately HK$39.4 million for the financial year ended 31 March 2013. The net profit was primarily attributable to the recognition of a one-off gain of HK$102 million arising from the disposal of Ace High Group Limited, a wholly-owned subsidiary, in February 2014. Ace High Group Limited, which its principal activities is the investment in junket related operation, was at net liability position at the time of disposal.

The Group holds 24.8% equity interest in Greek Mythology. During the year under review, the financial information of Greek Mythology was unavailable. The Company expected such information to have significant impact on the 2014 Annual Results of the Group. Hence, the 2014 Annual Results do not reflect the actual performances of Greek Mythology and the Group.

Other investments of the Group included LE-Guangxi, a subsidiary of the Company which is primarily engaged in distribution of a proprietary electronic lottery sales system in Guangxi, China. During the year under review, commission income from the provision of service amounted to HK$165,000, as compared to HK$694,000 for the corresponding period last year. The decrease in income was due to the change of business model as mentioned in the Business Overview section below.

The turnover of the Group was approximately HK$4.97 million for the year under review, as compared to approximately HK$5.49 million for the corresponding period last year. The drop in turnover for the year under review was mainly attributable to the ongoing implementation of the change of the Group's business model. The Group's main sources of revenue were rental income on gaming tables and slot machines of approximately HK$4.8 million generated by its wholly-owned subsidiaries.

During the year under review, the Company raised a total of HK$17.4 million of operating capital by way of placing of new shares and top-up placement.

On 20 June 2014, the Group sold the retail shops, which were held by the Group as investment properties, at a consideration of HK$14.15 million.

BUSINESS OVERVIEW

In 2013, the revenue of the gaming sector in Macau rose 18.6%, reaching a record high of MOP360.7 billion or HK$350.2 billion. The Group is of the view that maintaining a high growth rate of the sector will be a challenge in 2014 as the Macau government has imposed measures to control the expansion of the gaming sector by constraining the supply of gaming tables. In view of a slowed growth in the Macau gaming sector, especially in the high roller segment, the Group further consolidated its business resources and sought to expand its core business outside Macau to absorb the unfulfilled demand from high rollers in Asia, who are more willing to visit casinos outside Macau.

Greek Mythology

Greek Mythology currently has approximately 20 VIP gaming rooms and a gaming floor targeting mid-range to high-end market customers from the People's Republic of China (the "PRC") and other Asian regions.

The Company has taken continuous actions in an attempt to obtain the financial information of Greek Mythology, which is believed to have significant impact on the Group's results. In February 2014, the Company filed a court action in Macau against Greek Mythology in relation to its failure to provide the annual accounts to its shareholders. The Court of First Instance of Macau Special Administrative Region ruled on 19 May 2014 that the administrator of Greek Mythology shall within 60 days provide the Company with its management accounts for the year ended 31 December 2012. On the other hand, the request to allow the auditor(s) appointed by the Court to conduct audit on the abovementioned management accounts was denied.

On 18 June 2014, the Company filed with the Court of First Instance of Macau, SAR, includes a full statement of claim whereby the Company seek the relief and claim that Greek Mythology do, within 60 days, provide its management accounts to the Company for the year ended 31 December 2013.

Acquisition in Vanuatu

During the year under review, the Group has been in active negotiation over the acquisition of a 60% interest in Forenzia Enterprises. Forenzia Enterprises, through its wholly-owned subsidiaries, holds an interactive gaming license valid for 15 years in the Republic of Vanuatu. The acquisition, once completed, will allow the Group to enter the gaming sector of Vanuatu.

The management of the Company is optimistic about the gaming business prospects in Vanuatu based on its stable political environment, high accessibility from major Asian cities, low tax, as well as governmental support for the development of its gaming sector.

LE-Guangxi

LE-Guangxi, a subsidiary of the Company, is a lottery related service company. In cooperation with the Guangxi Welfare Lottery Issue Centre, LE-Guangxi was previously engaged in distribution of a proprietary electronic lottery sales system in Guangxi for its sales location providers and self-operated lottery parlors which aimed at high-end players.

In January 2014, LE-Guangxi entered into an agreement with Guangxi Welfare Lottery Issue Centre to develop an automated lottery selling system (the "System") for the latter. The System allows customers to buy lottery tickets on mobile devices. With a service duration of 4 years, LE-Guangxi will provide operating management and maintenance services after the System is put into use. In return, Guangxi Welfare Lottery Issue Centre will pay LE-Guangxi a 3.5% commission based on the mobile device sales.

It is expected that the implementation of the System allows LE-Guangxi to reach more potential customers than that of the previous business model.

Disposal of Ace High Group Limited

The Group disposed of Ace High Group Limited in February 2014 to further consolidate its gaming resources and focus on businesses that can generate higher value to the Group. The one-off gain from the disposal helped the Group return to a net profit position for the year under review. In addition, as the liability of Ace High Group Limited is no longer borne by the Group, the Group has restored to a net current asset position after the disposal.

Change of Company Name

Subsequent to the shareholders' approval at the last annual general meeting held on 30 August 2013, the Company changed its English name from "Amax Holdings Limited" to "Amax International Holdings Limited". The Company also adopted "奧瑪仕國際控股有限公司" as its secondary name. The management believes that the new company name refreshes the corporate image and identity of the Company and is more appropriately to describe the vision and business landscape of the Group.

Change of Company Secretary and appointment of Compliance Adviser

During the year under review, the Company appointed Mr. Cheung Tai Chi as company secretary (the "Company Secretary") and an authorised representative of the Company. Mr. Cheung is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.

The Company took voluntary measures to enhance corporate governance by ensuring sound compliance and risk control. The Company appointed South China Capital Limited as the Compliance Adviser to conduct a review of the existing compliance structure of the Company and make recommendations to the Company for its enhancement. After reviewing the Compliance Adviser's reports, the Board is of the view that the improved internal control system and enhanced compliance structure are adequate for procuring the Company's Listing Rules (as defined below) compliance.

Prospects and outlook

Leveraging its extensive experience in the gaming and entertainment industry, the Group proactively seeks investment opportunities outside Macau. In the coming year, the management will strive to conclude the acquisition in Vanuatu and turn it into a growth driver for the Group. With its experience in casino operation and expertise in gaming sector, the management of the Group is optimistic in the development of gaming business in Vanuatu, capturing the rising opportunities in the Asia Pacific region.

The cooperation with Guangxi Welfare Lottery Issue Centre in developing the automated lottery selling system will be another growth opportunity for the Group. Players can log-in online automated lottery system through their mobile devices. With the fast growing number of mobile device users in the PRC, it is expected that online lottery selling system will be increasingly popular and provide stable income to the Group in the future.

As an investment holding company, the Group will continue to identify other investment prospects worldwide. Looking forward, the Group will develop a diverse investment portfolio and multiple income sources to generate long-term value for its investors and shareholders.

Corporate Governance Report

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 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 of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules") throughout the year ended 31 March 2014 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 and chief executive officer (the "CEO") of the Company. The Board believes that the roles of Chairman and CEO performed by Mr. Ng provide the Group with strong and consistent leadership and are beneficial to the Group especially in planning and implementation 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.

Code provision E.1.2 of the CG Code provides that the chairman of the board should attend the annual general meeting.

Mr. Ng Man Sun, being the chairman of the board, was unable to attend the annual general meeting of the Company held on 30 August 2013 due to other business commitments. He had arranged Ms. Ng Wai Yee, another Executive Director of the Company and who is very familiar with the Group's business and operations, to attend and chair the annual general meeting.

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 policies 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 of 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 2014.

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 the CEO and the Executive Directors (as defined below).

Board Diversity Policy

The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. The Board adopted a policy that sets out the Company's approach to achieving the Board's diversity. The Company considers a number of factors when deciding on appointments to the Board and the continuation of those appointments. Such factors include, among other things, gender, age, cultural and educational background, professional experience, skills, knowledge and other qualifications. The Board may seek to improve one of more aspects of its diversity at any given time, and measure its progress accordingly.

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, Mr. Li Chi Fai and Ms. Sie Nien Che, Celia. Their biographical details are set out on pages 24 to 25 of this report and are posted on the Company's website. The list of Directors (by category) is also disclosed in all corporate communications issued by the Company from time to time pursuant to the Listing Rules.

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.

Corporate Governance Report (continued)

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 Independent 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 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. Seven Board meetings and one general meeting of the Company were held during the year ended 31 March 2014 and the attendances of each Board member are set out below:

	Number of meetings attended/ eligible to attend	
	Board meetings	**General meetings**
Executive Directors		
Mr. Ng Man Sun (Chairman and CEO)	7/7	0/1
Ms. Ng Wai Yee	7/7	1/1
Independent Non-executive Directors		
Ms. Yeung Pui Han, Regina	7/7	0/1
Mr. Li Chi Fai	6/7	1/1
Ms. Sie Nien Che, Celia	5/7	0/1

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 quality 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 (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. The Directors and their biographical details as at the date of this report are set out on pages 24 to 25.

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

(Note)

A. Reading new/journal/magazine/other reading materials and/or in-house training as regards legal and regulatory changes and matters of relevance in the discharge of the duties as a listed company director. Each of our Directors has attended training sessions arranged by the Company on disclosing key areas of corporate governance and directors' duties.

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

Four committees, namely audit committee (the "Audit Committee"), compliance committee (the "Compliance Committee") which was established on 17 March 2014, 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 2014 and up to the date of this report, the Audit Committee comprised three INEDs, namely Ms. Yeung Pui Han, Regina, Mr. Li Chi Fai 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 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.

Two Audit Committee meetings were held during the year ended 31 March 2014, which was one less than the term set out in paragraph 3.1 of the terms of reference of the Audit Committee which states that the Audit Committee should meet at least three times a year. The planned meeting to be held in March 2014 had been postponed to 25 April 2014, during which the internal control review report issued by the Compliance Adviser on 17 April 2014 was reviewed. 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	2/2
Mr. Li Chi Fai,	2/2
Ms. Sie Nien Che, Celia	2/2

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

— reviewed and recommended for the Board's approval the draft audited financial statements of the year under review together with the auditor's report attached thereto and the draft announcement of the 2014 Annual Results, and the draft unaudited financial statements and announcement of the interim result for the six months ended 30 September 2013 (the "2013 Interim Results").

— reviewed, tax issues, compliance and salient features of 2014 Annual Results and 2013 Interim Results.

— 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 of the Company.

— reviewed the internal control review reports prepared by South China Capital Limited and RSM Nelson Wheeler Consulting Limited respectively on the Company's 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 2014, the Board had no disagreement with the Audit Committee's view on the selection and appointment of the external auditor.

Compliance Committee

The Compliance Committee was established on 17 March 2014. As at 31 March 2014 and up to the date of this report, the Compliance Committee comprised an Executive Director, namely Ms. Ng Wai Yee, an INED, namely Mr. Li Chi Fai, the Chief Financial Officer, Mr. Wong Sze Lok and the Company Secretary, Mr. Cheung Tai Chi, and is chaired by Ms. Ng Wai Yee.

The main duties of the Compliance Committee are to formulate, review, approve, and monitor the Company's policies and practices on compliance with legal and regulatory requirements, supervise the implementation and monitor the efficiency and effectiveness of the compliance management system. The roles and functions of the Compliance 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.

No Compliance Committee meeting had yet been held during the year ended 31 March 2014.

Remuneration Committee

As at 31 March 2014 and up to the date of this report, the Remuneration Committee comprised an Executive Director, namely Ms. Ng Wai Yee, and two INEDs, namely Ms. Yeung Pui Han, Regina and Ms Sie Nien Che, Celia, and is chaired by Ms. Yeung Pui Han, Regina.

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 Director		
Ms. Ng Wai Yee		1/1
Independent Non-executive Directors		
Ms. Yeung Pui Han, Regina	(appointed as the chairman and a member of the Remuneration Committee on 11 April 2013)	1/1
Ms. Sie Nien Che, Celia	(appointed on 11 April 2013)	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 Directors.

— reviewed and approved the remuneration package of each Executive Director and senior management including benefit in kind, pension right and bonus payment.

— 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 2014 and up to the date of this report, the Nomination Committee comprised an Executive Director, namely Mr. Ng Man Sun, and two INEDs, namely Ms. Yeung Pui han, Regina and Ms Sie Nien Che, Celia, and is chaired by Mr. Ng Man Sun.

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 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 Nomination Committee meeting was held during the year ended 31 March 2014. The attendances of each Nomination Committee member are set out below:

		Number of meetings attended/ eligible to attend
Executive Director		
Mr. Ng Man Sun		1/1
Independent Non-executive Directors		
Ms. Yeung Pui Han, Regina		1/1
Ms. Sie Nien Che, Celia	(appointed on 11 April 2013)	1/1

The Company continued to monitor the board composition in order to maintain an appropriate mix and balance of talent, skills, experience and background on the Board. The major works performed by the Nomination Committee during the year and up to the date of this report include the following:

— reviewed the structure, size and composition of the Board.

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

— assessed the independence of INEDs.

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 2014, the fees paid to CCIF CPA Limited in respect of audit and non-audit services were HK$720,000 and HK$250,300 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. 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 29 to 32.

INTERNAL CONTROLS

The Board recognises 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, operational, risk management and compliance after its consideration of the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function.

During the year, the Company has appointed a compliance adviser to provide guidance and advice to the Company on Listing Rules compliance issues with effect from 22 November 2013 for a term of one year. The compliance adviser completed the internal control review on 17 April 2014. Having considered (i) the findings and conclusion of the internal control review; and (ii) the implementation of recommendations by the Company, the Board is of the view that the improved internal control system and enhanced compliance structure are adequate for procuring the Company's Listing Rules compliance.

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

During the year, Ms. Man Oi Yuk, Yvonne was the Company Secretary until 3 March 2014. Ms Man 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.

Mr. Cheung Tai Chi was appointed as the Company Secretary in place of Ms. Man following her resignation with effect from 3 March 2014.

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 websites of the Company and the Stock Exchange respectively.

Another communication channel between the Company and its shareholders is through the publication of its interim and annual reports and other 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) 2903 9288
Fax: (852) 2887 1712
Email: amax@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 2014.

Directors' Report

The Directors present their report and the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 March 2014.

CHANGE OF COMPANY NAME

Subsequent to the shareholders' approval at the last annual general meeting held on 30 August 2013, the Company changed its English name from "Amax Holdings Limited" to "Amax International Holdings Limited". The Company also adopted "奧瑪仕國際控股有限公司" as its secondary name. The management believes that the new company name refreshes the corporate image and identity of the Company and is more appropriately to describe the vision and business landscape of the Group.

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 2014 are set out in the consolidated income statement and consolidated statement of comprehensive income on page 33 to 34.

The Directors do not recommend the payment of a dividend for the year ended 31 March 2014 (2013: 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 103.

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 2014 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 27(b) to the financial statements.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "2012 Scheme") on 12 September 2012 which was valid and effective for 10 years from its date of adoption.

Purpose

The 2012 Scheme is for the purpose of recognising eligible persons as incentives and rewards for their contribution to the Group.

Eligible Persons

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 2012 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 2012 Schemes must not exceed 415,265,572 shares (20,763,279 shares after share consolidation), representing approximately 10% of the shares in issue as at 12 September 2012, the date when the special general meeting was held to approve and adopt 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 2012 Scheme 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 2012 Scheme 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 2012 Scheme is determined by the Board at its absolute discretion, provided that such period is consistent with any other terms and condition of the 2012 Scheme.

Payment on Acceptance of the Option

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

Basis of Determining the Subscription Price

The subscription price for share under the 2012 Scheme 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 Scheme

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.

Details of the 2012 Scheme are set out in Note 28 to the financial statements.

The movements of the Company's share options outstanding under the 2012 Scheme during the year ended 31 March 2014 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 2013	Granted during the year	Exercised During the year	Lapsed during the year	As at 31 March 2014
Directors								
Mr. Ng Man Sun	05/02/2013 (Note 1)	05/02/2013–04/02/2023	1.54	200	—	—	—	200
	03/03/2014	03/03/2014–02/03/2024	1.67	—	200	—	—	200
Ms. Ng Wai Yee	05/02/2013 (Note 1)	05/02/2013–04/02/2023	1.54	200	—	—	—	200
	03/03/2014	03/03/2014–02/03/2024	1.67	—	200	—	—	200
Ms. Yeung Pui Han, Regina	05/02/2013 (Note 1)	05/02/2013–04/02/2023	1.54	200	—	—	—	200
	03/03/2014	03/03/2014–02/03/2024	1.67	—	200	—	—	200
Mr. Li Chi Fai	03/03/2014	03/03/2014–02/03/2024	1.67	—	200	—	—	200
Ms. Sie Nien Che, Celia	03/03/2014	03/03/2014–02/03/2024	1.67	—	200	—	—	200
Eligible employees	05/02/2013 (Note 1)	05/02/2013–04/02/2023	1.54	1,250	—	—	—	1,250
	03/03/2014	03/03/2014–02/03/2024	1.67	—	2,100	—	—	2,100
Service provider	05/02/2013 (Note 1)	05/02/2013–04/02/2023	1.54	2,000	—	—	—	2,000
	03/03/2014	03/03/2014–02/03/2024	1.67	—	2,000	—	—	2,000
In aggregate				3,850	5,100	—	—	8,950

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 27(a) to the financial statements.

DISTRIBUTABLE RESERVES

As at 31 March 2014, in the opinion of the Directors of the Company, the reserves of the Company available for distribution to shareholders amounted to HK$683,978,000 (2013: HK$543,938,000).

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)
Ms. Ng Wai Yee

Independent Non-executive Directors

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

In accordance with the provisions of the Company's Bye-laws, Ms. Ng Wai Yee and Ms. Yeung Pui Han, Regina 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 67, 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 since 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 40, has been elected as an Executive Director of the Company since 12 September 2012. She is the daughter of Mr. Ng Man Sun, the Chairman, Chief Executive Officer and a substantial shareholder of the Company. Ms. Ng is a director of Diamond Square Investment & Management Company Limited (鑽石廣場投資管理有限公司) which assists in the management of Mr. Ng's business.

Independent Non-executive Directors

Ms. Yeung Pui Han, Regina, aged 57, has been elected as an Independent Non-executive Director of the Company since 12 September 2012. Ms. Yeung is a merchant in Canada in respect of high end leisure and entertainment business. She has been appointed as the President of Tradewinds Production Limited, a Canadian corporation, since 2009.

Mr. Li Chi Fai, aged 47, has been appointed as an Independent Non-executive Director of the Company since 22 February 2013. Mr. Li is a member of Hong Kong Institute of Certified Public Accountants and CPA Australia and holds a Bachelor of Economics degree from Monash University, Australia. He has more than 17 years of experiences in financial auditing and accounting. He is currently the company secretary of China Investment and Finance Group Limited. Before, he was chief financial officer of Evergreen International Holdings Limited, a Main Board issuer of the Stock Exchange.

Ms. Sie Nien Che, Celia, aged 40, has been appointed as an Independent Non-executive Director of the Company since 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 41, has over 17 years of professional experience 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 and the United States. 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.

Company Secretary

Mr. Cheung Tai Chi, aged 43, has over 18 years of professional experience in financial management, accounting and auditing. He is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.

DIRECTORS' SERVICE CONTRACTS

Each of Mr. Ng Man Sun, Ms. Ng Wai Yee, Ms. Yeung Pui Han, Regina, Mr. Li Chi Fai, 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 2014, 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 set out in Appendix 10 to 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	38,570,000	400,000 (Note 1)	38,970,000	17.07%
	Interest in a controlled corporation (Note 2)	307,366	—	307,366	0.13%
	Total:	38,877,366	400,000 (Note 1)	39,277,366	17.20%
Ms. Ng Wai Yee	Beneficial owner	—	400,000 (Note 1)	400,000	0.18%
Ms. Yeung Pui Han, Regina	Beneficial owner	—	400,000 (Note 1)	400,000	0.18%
Mr. Li Chi Fai	Beneficial owner	—	200,000 (Note 1)	200,000	0.088%
Ms Sie Nien Che, Celia	Beneficial owner	—	200,000 (Note 1)	200,000	0.088%

Note:

1. These interests represent the number of underlying shares in respect of the 2012 Scheme, the details of which are set out in the section headed "SHARE OPTION SCHEME" 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 2014, other than interests as disclosed above in respect of Mr. Ng Man Sun as Director, the Chairman and CEO, Ms. Ng Wai Yee, Ms. Yeung Pui Han, Regina, Mr. Li Chi Fai and Ms. Sie Nien Che, Celia 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 2014, 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 26 to the financial statements.

RELATED PARTY TRANSACTIONS

Details of material related party transactions of the Group are set out in Note 32 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 2014.

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 complied with all the code provisions contained in Appendix 14 to the Listing Rules, saved for certain deviations as explained in the Corporate Governance Report. Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 8 to 19 of this report.

CONFIRMATION OF INDEPENDENCE

The Company has received 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, thus, 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

CCIF CPA Limited shall retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of CCIF CPA Limited as the auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

On behalf of the Board

Ng Man Sun
Chairman

Hong Kong, 27 June 2014

Independent Auditor's Report

CCIF

CCIF CPA LIMITED

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

TO THE SHAREHOLDERS OF AMAX INTERNATIONAL HOLDINGS LIMITED
(FORMERLY KNOWN AS AMAX HOLDINGS LIMITED)
(Incorporated in Bermuda with limited liability)

We were engaged to audit the consolidated financial statements of Amax International Holdings Limited (formerly known as "Amax Holdings Limited") (the "Company") and its subsidiaries (together the "Group") set out on pages 33 to 102, which comprise the consolidated and company statements of financial position as at 31 March 2014, 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 as to 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 — Interest in Greek Mythology and share of results of Greek Mythology

(a) 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 the prior year's adjustments which have been reported in the financial statements for the year ended 31 March 2012 made by the Group in the financial statements for the year ended 31 March 2011 to account for recognising a dilution of its equity interest in an associate Greek Mythology (Macau) Entertainment Group Corporation Limited ("Greek Mythology") from 49.9% to 24.8% which was effective on 8 November 2010 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 management of Greek Mythology did not cooperate with the management of the Group and denied the Group's access to their books and records. In addition, no audited financial statements of Greek Mythology since 31 March 2010 were available. We were therefore unable to determine the Group's share of results of Greek Mythology since the year ended 31 March 2010.

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 2014, and the Group's share of results of Greek Mythology for the years ended 31 March 2013 and 2014 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 had a consequential effect on (i) the Group's and the Company's interest in Greek Mythology and (ii) the results for the years ended 31 March 2013 and 2014 and the Group's and the Company's net assets as at 1 April 2012, 31 March 2013 and 2014 and related disclosures in the consolidated financial statements.

(2) 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$83,008,000 as at 31 March 2014 was an amount of HK$75,165,000 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 this amount 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 from which the management of the Group was denied access to their books and records as mentioned in the Basis for Disclaimer Opinion paragraph (1). There are no other satisfactory audit procedures that we could adopt to determine whether the recoverability of amount due from Greek Mythology and its recognition were free from material misstatement.

(b) Included in the consolidated statement of financial position as at 31 March 2014 are intangible assets, being the rights granted to Greek Mythology to operate and manage certain gaming tables and slot machines, with a carrying amount of HK$12,273,000. No impairment has been made for the year in this aspect as the directors of the Company determined that the value in use of the rights exceeded their carrying amount based on the cash flow projections and financial budgets prepared by the directors. However, we were unable to obtain sufficient appropriate audit evidence to ascertain whether the cash flow projections and financial budgets were properly prepared. We were therefore unable to satisfy ourselves as to whether the carrying amount of the intangible assets as at 31 March 2014 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 results for the years ended 31 March 2013 and 2014 and the Group's net assets as at 31 March 2013 and 2014 and related disclosures in the consolidated financial statements.

(3) Scope limitation — Gain on disposal of a subsidiary

During the year ended 31 March 2014, there is a gain on disposal of a subsidiary, Ace High Group Limited ("Ace High"), amounting to HK$102,437,000. The gain was calculated based on the consideration of disposal of HK$1,000 and Ace High's net liabilities of HK$102,436,000 at the date of disposal. Ace High's statement of financial position at the date of disposal comprised a fully impaired available-for-sale financial asset with cost of HK$2,095,268,000 less accumulated impairment of the same amount. We were unable to obtain sufficient appropriate audit evidence on whether the carrying amount of the available-for-sale financial asset was fairly stated and whether the accumulated impairment loss was free from material misstatement. Consequently, we were unable to ascertain Ace High's net liabilities as at the date of disposal and hence the gain from the disposal.

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 2014 and of the Group's profit for the year then ended in accordance with Hong Kong Financial Reporting Standards and as to whether the consolidated 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, 27 June 2014

Chan Wai Dune, Charles
Practising Certificate Number P00712

Consolidated Income Statement

For the year ended 31 March 2014 (Expressed in Hong Kong Dollars)

	Note	**2014 HK$'000**	2013 HK$'000
Turnover	4(a), 14	**4,965**	5,494
Cost of sales		**(71)**	(432)
Gross profit		**4,894**	5,062
Fair value gain on investment properties	16	**7,840**	1,890
Other revenue and other net income	4(b)	**161**	46
Selling and distribution expenses		**(1,097)**	(1,834)
General and administrative expenses		**(37,480)**	(34,374)
Gain on disposal on a subsidiary	30	**102,437**	—
Share of profit of associate	20	**—**	—
Finance costs	6	**(11,368)**	(10,174)
Profit/(loss) before taxation	5	**65,387**	(39,384)
Income tax	7	**—**	—
Profit/(loss) for the year		**65,387**	(39,384)
Attributable to:			
Owners of the Company		**66,662**	(38,632)
Non-controlling interests		**(1,275)**	(752)
Profit/(loss) for the year		**65,387**	(39,384)
Earnings/(loss) per share			
Basic (HK cents)	13(a)	**30.13**	(18.60)
Diluted (HK cents)	13(b)	**30.13**	(18.60)

The notes on pages 39 to 102 form part of these financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2014 (Expressed in Hong Kong Dollars)

	2014 HK$'000	2013 HK$'000
Profit/(loss) for the year	**65,387**	(39,384)
Other comprehensive income/(loss) for the year:		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of overseas subsidiaries	**13**	19
Total comprehensive income/(loss) for the year	**65,400**	(39,365)
Total comprehensive income/(loss) for the year attributable to:		
Owners of the Company	**66,675**	(38,617)
Non-controlling interests	**(1,275)**	(748)
	65,400	(39,365)

The notes on pages 39 to 102 form part of these financial statements.

Consolidated Statement of Financial Position

At 31 March 2014 (Expressed in Hong Kong Dollars)

	Note	2014 HK$'000	2013 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	15(a)	1,639	1,620
Investment properties	16	14,150	6,310
Goodwill	18	—	—
Intangible assets	17	12,273	14,319
Interest in an associate	20	1,191,209	1,191,209
Other financial assets	21	—	—
		1,219,271	1,213,458
CURRENT ASSETS			
Trade and other receivables	22	83,008	76,811
Cash and cash equivalents		3,962	1,199
		86,970	78,010
CURRENT LIABILITIES			
Trade and other payables	23	7,495	108,593
Obligations under a finance lease	24	139	134
Other borrowing	25	11,000	—
		18,634	108,727
NET CURRENT ASSETS/(LIABILITIES)		68,336	(30,717)
TOTAL ASSETS LESS CURRENT LIABILITIES		1,287,607	1,182,741
NON-CURRENT LIABILITIES			
Promissory notes	26	166,074	155,210
Obligations under a finance lease	24	320	459
		166,394	155,669
NET ASSETS		1,121,213	1,027,072
CAPITAL AND RESERVES	27		
Share capital		45,647	41,527
Reserves		1,074,969	985,890
Total equity attributable to owners of the Company		1,120,616	1,027,417
Non-controlling interests		597	(345)
TOTAL EQUITY		1,121,213	1,027,072

Approved and authorised for issue by the board of directors on 27 June 2014.

Director

Director

The notes on pages 39 to 102 form part of these financial statements.

Statement of Financial Position

At 31 March 2014 (Expressed in Hong Kong Dollars)

	Note	2014 HK$'000	2013 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	15(b)	**1,243**	868
Investment properties	16	**14,150**	6,310
Investments in subsidiaries	19	**24,462**	24,462
Interest in an associate	20	**1,191,209**	1,191,209
Other financial assets	21	**—**	—
		1,231,064	1,222,849
CURRENT ASSETS			
Trade and other receivables	22	**49,046**	47,633
Cash and cash equivalents		**3,381**	411
		52,427	48,044
CURRENT LIABILITIES			
Trade and other payables	23	**22,342**	198,020
Obligations under a finance lease	24	**139**	134
Other borrowing	25	**11,000**	—
		33,481	198,154
NET CURRENT ASSETS/(LIABILITIES)		**18,946**	(150,110)
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,250,010**	1,072,739
NON-CURRENT LIABILITIES			
Promissory notes	26	**166,074**	155,210
Obligations under a finance lease	24	**320**	459
		166,394	155,669
NET ASSETS		**1,083,616**	917,070
CAPITAL AND RESERVES	27		
Share capital		**45,647**	41,527
Reserves		**1,037,969**	875,543
TOTAL EQUITY		**1,083,616**	917,070

Approved and authorised for issue by the Board of Directors on 27 June 2014.

Director

Director

The notes on pages 39 to 102 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2014 (Expressed in Hong Kong Dollars)

		Attributable to owners of the Company										
	Note	Share capital HK$'000	Share premium HK$'000	Special reserve HK$'000	Contributed surplus HK$'000	Capital reserve HK$'000	Exchange reserve HK$'000	Other reserve HK$'000	Accumulated losses HK$'000	Sub-total HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 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 a subsidiary		—	—	—	—	—	—	147	—	147	(147)	—
Equity-settled share-based transactions	28	—	—	—	—	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 overseas subsidiaries		—	—	—	—	—	15	—	—	15	4	19
Total comprehensive income/(loss) for the year		—	—	—	—	—	15	—	(38,632)	(38,617)	(748)	(39,365)
At 31 March 2013 and 1 April 2013		41,527	324,160	(22,470)	2,180,026	7,445	159	147	(1,503,577)	1,027,417	(345)	1,027,072
Equity-settled share-based transactions	28	—	—	—	—	9,350	—	—	—	9,350	—	9,350
Deemed disposal of interest in a subsidiary	19	—	—	—	—	—	18	—	—	18	2,217	2,235
Share issue under placing	27 (b)(ii)	4,120	13,036	—	—	—	—	—	—	17,156	—	17,156
Profit for the year		—	—	—	—	—	—	—	66,662	66,662	(1,275)	65,387
Exchange differences on translation of financial statements of overseas subsidiaries		—	—	—	—	—	13	—	—	13	—	13
Total comprehensive income/(loss) for the year		—	—	—	—	—	13	—	66,662	66,675	(1,275)	65,400
At 31 March 2014		45,647	337,196	(22,470)	2,180,026	16,795	190	147	(1,436,915)	1,120,616	597	1,121,213

The notes on pages 39 to 102 form part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 March 2014 (Expressed in Hong Kong Dollars)

	Note	2014 HK$'000	2013 HK$'000
Profit/(loss) before taxation		65,387	(39,384)
Adjustments for:			
Fair value gain on investment properties	16	(7,840)	(1,890)
Interest income	4(b)	(2)	(1)
Depreciation of property, plant and equipment	15(a)	746	952
Amortisation of intangible assets	17	2,046	2,046
Interest expenses	6	11,368	10,174
Gain on disposal of a subsidiary	30	(102,437)	—
Loss on disposal of property, plant and equipment	5(b)	56	78
Equity-settled share-based payment expenses	5	9,350	7,445
		(21,326)	(20,580)
Changes in working capital			
Increase in trade and other receivables		(6,197)	(8,955)
Increase in trade and other payables		1,339	2,445
Net cash used in operating activities		(26,184)	(27,090)
Investing activities			
Payments for purchase of property, plant and equipment	15(a)	(856)	(149)
Interest received	4(b)	2	1
Net cash inflow from disposal of a subsidiary	30	1	—
Proceeds from sale of property, plant and equipment		32	125
Net cash used in investing activities		(821)	(23)
Financing activities			
Proceeds from other borrowing		11,000	—
Issue of shares	27(a)	17,156	—
Capital contribution from non-controlling interests		2,217	—
Capital element of finance lease payments made		(134)	(107)
Interest element of a finance lease		(20)	(21)
Interest on other borrowing		(484)	—
Net cash generated from/(used in) financing activities		29,735	(128)
Net increase/(decrease) in cash and cash equivalents		2,730	(27,241)
Cash and cash equivalents at beginning of the year		1,199	28,434
Effect of foreign exchange rate changes, net		33	6
Cash and cash equivalents at end of the year		3,962	1,199
Analysis of cash and cash equivalents:			
Cash and bank balances		3,962	1,199

The notes on pages 39 to 102 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 March 2014

1. GENERAL INFORMATION

Amax International Holdings Limited (formerly known as "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 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 associates during the year are set out in notes 19 and 20 to the financial statements.

During the year, the Company changed its name from Amax Holdings Limited to Amax International Holdings Limited. Details of these are set out in the section of Directors' Report of the annual report.

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") and accounting principles generally accepted in Hong Kong. These financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance, which for this financial year and the comparative period continue to be those of the predecessor Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the new Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 to that 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.

Notes to the Financial Statements (continued)

For the year ended 31 March 2014

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 March 2014 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)).

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

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

Judgements made by management in the application of HKFRSs that have a significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 33.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

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

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability.

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. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. 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, an investment in a subsidiary is stated at cost less impairment losses (see note 2(l)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Associates

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

An investment in an associate is accounted for in the consolidated financial statements under the equity method, 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(e) and (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 associates 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.

If an investment in an associate becomes an investment in a joint venture or vice versa, retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Group ceases to have significant influence over an associate or joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset.

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

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 HKFRS.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Business combinations (continued)

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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), then this excess is recognised immediately in profit or loss as a bargain purchase gain.

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 purchased 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 are not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments. Available-for-sale financial assets are initially measured at fair value, which is their transaction price unless it is determined that the fair value at initial recognition differs from the transaction price and that fair value is evidenced by a quote price in an active market for an identical asset or liability or based on a valuation technique that uses 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 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 recognised in equity is reclassified 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 and property that is being constructed or developed for future use as investment property.

Investment properties are stated in the statement of financial position at fair value, unless they are still in the course of construction or development at the end of the reporting period and their fair value cannot be reliably measured at that time. 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).

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Investment properties (continued)

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 that interest as are applied to other investment properties leased under finance leases. Lease payments are accounted for as described in note 2(k).

(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 loss (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	5 years or over the remaining term of the lease, if shorter
—	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.

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economics benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised in profit or loss during the financial period in which they are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Property, plant and equipment (continued)

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 on a straight-line basis from the date they are available for use and their estimated useful lives are as follows:

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

(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.

(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)).

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Leased assets (continued)

(ii) Assets acquired under finance leases

Where the Group acquires the use of assets under finance leases, 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 costs 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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Impairment of assets (continued)

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

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

— For investments in associates accounted for under the equity method in the consolidated financial statements (see note 2(d), the impairment loss is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 2(l)(ii). The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount in accordance with note 2(l)(ii).

— For unquoted equity securities carried at cost, the impairment loss is 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 loss is 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 (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where these financial assets share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Impairment of assets (continued)

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

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade receivables and other receivables 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 receivables and other receivables 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;

— goodwill; and

— investments in subsidiaries and associates in the Company's statement of finance position.

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.

— *Calculation of recoverable amount*

The recoverable amount of an asset is the greater of its fair value less costs of disposal 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).

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Impairment of assets (continued)

(ii) Impairment of other assets (continued)

— *Recognition of impairment losses*

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the 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 of disposal (if measurable) 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 Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, 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 (ii)).

Impairment losses recognised in an interim period in respect of goodwill and available-for-sale equity securities 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(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.

(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 interest expense is recognised in profit or loss on an effective interest basis.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 share 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).

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 at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Income tax (continued)

Where investment properties are carried at their fair value in accordance with the accounting policy set out in note 2 (h), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, 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 substantially 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:

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 the profit or loss as follows:

(i) Investments in gaming and entertainment related business

Revenue from investments in gaming and entertainment related business, representing fixed monthly income, is recognised in accordance with the agreed terms.

(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) Commission income

Commission income is recognised when services are provided

(iv) Interest income

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items, including goodwill arising on consolidation of foreign operations acquired on or after 1 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 a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

(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 the period in which they are incurred.

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.

Notes to the Financial Statements (continued)

For the year ended 31 March 2014

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 executive directors of the Company, being 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

In the current year, the Group has applied the following new and revised HKFRSs issued by the HKICPA.

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009–2011 Cycle
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
Amendments to HKFRS 7	Disclosures — Offsetting Financial Assets and Financial Liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transitional Guidance
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
HK(IFRIC) — Int 20	Stripping Costs in the Production Phase of a Surface Mine

Except as described below, the application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3. CHANGES IN ACCOUNTING POLICIES (continued)

Annual Improvements to HKFRSs 2009–2011 Cycle

This cycle of annual improvements contains amendments to five standards with consequential amendments to other standards and interpretations. Among them, HKAS 1 has been amended to clarify that an opening statement of financial position is required only when a retrospective application of an accounting policy, a retrospective restatement or a reclassification has a material effect on the information presented in the opening statement of financial position. The amendments also remove the requirement to present related notes to the opening statement of financial position when such statement is presented. These amendments do not have any material impact on the results of operations and financial position of the Group for the years presented.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments require entities to present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss. The presentation of other comprehensive income in the consolidated statement of comprehensive income in these financial statements has been modified accordingly.

Amendments to HKFRS 7 Disclosures — Offsetting Financial Assets and Financial Liabilities

The amendments introduce new disclosures in respect of offsetting financial assets and financial liabilities. Those new disclosures are required for all recognised financial instruments that are set off in accordance with HKAS 32, Financial Instruments: Presentation and those that are subject to an enforceable master netting arrangement or similar arrangement that covers similar financial instruments and transactions, irrespective of whether the financial instruments are set off in accordance with HKAS 32.

The adoption of the amendments does not have an impact on these financial statements because the Group has not offset financial instruments, nor has it entered into master netting arrangement or similar agreement which is subject to the disclosures of HKFRS 7 during the periods presented.

HKFRS 10 Consolidated Financial Statements

HKFRS 10 replaces the requirements in HKAS 27, Consolidated and Separate Financial Statements relating to the preparation of consolidated financial statements and HK-SIC 12 Consolidation — Special Purpose Entities. It introduces a single control model to determine whether an investee should be consolidated, by focusing on whether the entity has power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power to affect the amount of those returns. The adoption does not change any of the control conclusions reached by the Group in respect of its involvement with other entities as at 1 April 2013.

3. CHANGES IN ACCOUNTING POLICIES (continued)

HKFRS 11 Joint Arrangements

HKFRS 11, which replaces HKAS 31 Interests in Joint Ventures, divides joint arrangements into joint operations and joint ventures. Entities are required to determine the type of an arrangement by considering the structure, legal form, contractual terms and other facts and circumstances relevant to their rights and obligations under the arrangement. Joint arrangements which are classified as joint operations under HKFRS 11 are recognised on a line-by-line basis to the extent of the joint operator's interest in the joint operation. All other joint arrangements are classified as joint ventures under HKFRS 11 and are required to be accounted for using equity method in the Group's consolidated financial statements. Proportionate consolidation is no longer allowed as an accounting policy choice.

HKFRS 12 Disclosure of Interests in Other Entities

HKFRS 12 brings together into a single standard all the disclosure requirements relevant to an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The disclosures required by HKFRS 12 are generally more extensive than those previously required by the respective standards. To the extent that the requirements are applicable to the Group, the Group has provided those disclosures in notes 19 and 20 to the financial statements.

HKFRS 13 Fair Value Measurement

HKFRS 13 replaces existing guidance in individual HKFRSs with a single source of fair value measurement guidance. HKFRS 13 also contains extensive disclosure requirements about fair value measurements for both financial instruments and non-financial instruments. To the extent that the requirements are applicable to the Group, the Group has provided those disclosures in note 16. The adoption of HKFRS 13 does not have any material impact on the fair value measurements of the Group's assets and liabilities.

4. TURNOVER, OTHER REVENUE AND OTHER NET INCOME

(a) Turnover

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

Turnover comprises the following:

	2014 **HK$'000**	2013 HK$'000
Income from investments in certain gaming tables (note (i)) and slot machines operations (note (ii)) in Greek Mythology Casino in Macau	**4,800**	4,800
Commission income on provision of services to Guangxi Welfare Lottery Issue Centre	**165**	694
	4,965	5,494

Notes to the Financial Statements (continued)

For the year ended 31 March 2014

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

(a) Turnover (continued)

Notes:

(i) Investment in VIP gaming 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 granted the right to Greek Mythology to operate and manage the Gaming Tables. In return, Thousand Ocean earns a fixed monthly income of HK$300,000.

	2014 HK$'000	2013 HK$'000
Income	3,600	3,600

(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 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.

	2014 HK$'000	2013 HK$'000
Income	1,200	1,200

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

(b) Other revenue and other net income

	2014 HK$'000	2013 HK$'000
Other revenue		
Interest income from banks	2	1
Gross rental income from investment properties	74	152
Sundry income	129	4
	205	157
Other net income		
Loss on disposal of property, plant and equipment	(56)	(78)
Net exchange gain/(loss)	12	(33)
	(44)	(111)
	161	46

5. PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging:

	2014 HK$'000	2013 HK$'000
(a) Staff costs (including directors' emoluments):		
Equity-settled share-based payment expenses	4,586	2,681
Salaries, allowances and other benefits	8,211	10,065
Contribution to defined contribution retirement plans	170	310
	12,967	13,056
(b) Other items:		
Amortisation of intangible assets	2,046	2,046
Auditor's remuneration	720	720
Equity-settled share-based payment expenses	4,764	4,764
Rental income from investment properties less direct outgoings of HK$Nil (2013:HK$80,000)	(74)	(72)
Depreciation of property, plant and equipment	746	952
Loss on disposal of property, plant and equipment	56	78
Operating lease charges in respect of premises:		
— minimum lease payments	2,590	1,631

Notes to the Financial Statements (continued)

For the year ended 31 March 2014

6. FINANCE COSTS

	2014 HK$'000	2013 HK$'000
Interest on promissory notes (note 26)	10,864	10,153
Finance charges on obligations under a finance lease	20	21
Interest on other borrowing (note 25)	484	—
Total interest expense on financial liabilities not at fair value through profit or loss	11,368	10,174

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 (2013: HK$Nil) as the companies in the Group have no assessable profits for the year in the relevant tax jurisdictions.

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

	2014 HK$'000	2013 HK$'000
Profit/(loss) before taxation	65,387	(39,384)
Notional tax on profit/(loss) before taxation, calculated at the rates applicable to profit/(loss) in the tax jurisdictions concerned	10,301	(6,789)
Tax effect of non-deductible expenses	4,835	4,001
Tax effect of non-taxable income	(18,990)	(1,104)
Tax effect of unused tax losses not recognised	3,854	3,892
	—	—

Deferred taxation

The Group did not recognise deferred tax assets in respect of cumulative tax losses of approximately HK$34,101,000 (2013: HK$27,775,000) at 31 March 2014 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$7,288,000 (2013: HK$4,868,000) will expire within 4 years, HK$3,638,000 (2013: HK$2,420,000) will expire within 5 years and the remaining tax losses of approximately HK$23,175,000 (2013: HK$20,487,000) have no expiry date under the current tax legislation.

8. DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 78 of Schedule 11 to the new Hong Kong Companies Ordinance (Cap.622), with reference to section 161 of the predecessor Hong Kong Companies Ordinance (Cap.32) are as follows:

	2014					
	Directors' fees HK$'000	Salaries, allowance and benefits in kind HK$'000	Discretionary bonuses HK$'000	Retirement scheme contributions HK$'000	Equity-settled share-based payments (note vii) HK$'000	Total HK$'000
Executive Directors						
Mr. Ng Man Sun (Chairman and Chief Executive Officer)	—	3,890	—	—	296	4,186
Ms. Ng Wai Yee	—	390	—	15	296	701
Independent Non-executive Directors						
Ms. Yeung Pui Han, Regina	102	—	—	—	296	398
Mr. Li Chi Fai	102	—	—	—	296	398
Ms. Sie Nien Che, Celia	102	—	—	—	296	398
	306	4,280	—	15	1,480	6,081

8. DIRECTORS' EMOLUMENTS (continued)

	2013					
	Directors' fees	Salaries, allowance and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Equity-settled share-based payments (note vii)	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 iii)	—	2,324	—	5	290	2,619
Ms. Ng Wai Yee (note iii)	—	216	—	8	290	514
Ms. Li Wing Sze (note ii)	—	243	—	7	—	250
Mr. Ng Chi Keung (note ii)	—	772	—	10	—	782
Mr. Lau Dicky (note ii)	—	232	—	7	—	239
Mr. Cheung Nam Chung (note ii)	—	720	—	150	—	870
Mr. Lei Kam Chao (notes i and ii)	—	112	—	—	—	112
Independent Non-executive Directors						
Ms. Yeung Pui Han, Regina (note iii)	53	—	—	—	290	343
Mr. Li Li Tang (notes iii and vi)	44	—	—	—	—	44
Dr. Chow Ho Wan, Owen (notes iii and v)	47	—	—	—	—	47
Ms. Sie Nien Che, Celia (note iv)	10	—	—	—	—	10
Mr. Li Chi Fai (note iv)	10	—	—	—	—	10
Mr. Cheng Kai Tai, Allen (note ii)	162	—	—	—	—	162
Ms. Deng Xiaomei (note ii)	162	—	—	—	—	162
Dr. Wu Dingjie (note vi)	95	—	—	—	—	95
Mr. Yoshida Tsuyoshi (note ii)	70	—	—	—	—	70
	653	4,619	—	187	870	6,329

During the year, no emoluments (2013: 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 emolument for the years ended 31 March 2014 and 2013.

8. DIRECTORS' EMOLUMENTS (continued)

Notes:

(i) Appointed on 25 June 2012

(ii) Removed on 12 September 2012

(iii) Appointed on 12 September 2012

(iv) Appointed on 22 February 2013

(v) Resigned on 6 March 2013

(vi) Removed on 27 March 2013

(vii) These represent the estimated value of share options granted to the Directors under the Company's share option scheme.

The details of the options granted, including the principal terms and number of shares under options granted, are disclosed in note 28.

9. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, two (2013: three) are Directors of the Company whose emoluments are disclosed in note 8 above. The emoluments of the remaining three (2013: two) individuals are as follows:

	2014 HK$'000	2013 HK$'000
Salaries and other emoluments	**1,854**	794
Equity-settled share-based payments	**2,810**	1,811
Retirement scheme contributions	**46**	22
	4,710	2,627

The emoluments of the three (2013: two) individuals with highest emoluments are within the following band:

	2014 Number of individuals	2013 Number of individuals
HK$Nil–HK$1,000,000	**2**	1
HK$1,500,001–HK$2,000,000	**—**	1
HK$3,000,001–HK$3,500,000	**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 immediately.

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.

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 total costs charged to the consolidated income statement for the year ended 31 March 2014 of approximately HK$170,000 (2013: HK$310,000) 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. PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY

The consolidated profit/(loss) attributable to owners of the Company includes a profit of approximately HK$140,040,000 (2013: loss of HK$81,174,000) 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 2014 (2013: Nil).

13. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the profit attributable to owners of the Company of HK$66,662,000 (2013: loss of HK$38,632,000) and the weighted average number of ordinary shares in issue during the year, calculated as follows:

	2014 **'000**	2013 '000
Issued ordinary shares at 1 April	**207,633**	4,152,656
Effect of share consolidation (note 27(b)(i))	**—**	(3,945,023)
Effect of share issue under placing (note 27(b)(ii))	**13,588**	—
Weighted average number of ordinary shares at 31 March	**221,221**	207,633

(b) Diluted earnings/(loss) per share

The computation of diluted earnings/(loss) per share does not assume the exercise 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 2014 and 2013.

14. SEGMENT INFORMATION

The Group principally has one reportable segment, which is the investment in gaming and entertainment related business. Therefore, no additional reportable segment has been presented. Additional information about geographical information and major customer of the Group has been disclosed in notes (a) and (b) below.

14. SEGMENT INFORMATION (continued)

(a) Geographical information

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

	2014 HK$'000	2013 HK$'000
Macau	4,800	4,800
PRC (excluding Macau and Hong Kong)	165	694
	4,965	5,494

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

	2014 HK$'000	2013 HK$'000
Macau	1,203,482	1,205,528
PRC	396	752
Hong Kong	15,393	7,178
	1,219,271	1,213,458

(b) Major customer

Revenue of HK$4,800,000 (2013: HK$4,800,000) was received from Greek Mythology for the year ended 31 March 2014.

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 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 and 1 April 2013	801	2,378	2,801	5,980
Additions	409	447	—	856
Disposals	(552)	(592)	—	(1,144)
Exchange realignment	(1)	(4)	—	(5)
At 31 March 2014	657	2,229	2,801	5,687
Accumulated depreciation:				
At 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 and 1 April 2013	584	1,617	2,159	4,360
Charge for the year	246	360	140	746
Written back on disposal	(522)	(534)	—	(1,056)
Exchange realignment	(1)	(1)	—	(2)
At 31 March 2014	307	1,442	2,299	4,048
Carrying amount:				
At 31 March 2014	350	787	502	1,639
At 31 March 2013	217	761	642	1,620

At the end of the reporting period, the net book value of motor vehicle held under a finance lease of the Group and the Company was HK$502,000 (2013: HK$642,000).

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 2012	526	1,192	2,456	4,174
Additions	26	18	700	744
Disposals	—	—	(354)	(354)
At 31 March 2013 and 1 April 2013	552	1,210	2,802	4,564
Additions	409	438	—	847
Disposals	(552)	(490)	—	(1,042)
At 31 March 2014	409	1,158	2,802	4,369
Accumulated depreciation:				
At 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 and 1 April 2013	384	1,152	2,160	3,696
Charge for the year	201	87	140	428
Written back on disposal	(522)	(476)	—	(998)
At 31 March 2014	63	763	2,300	3,126
Carrying amount:				
At 31 March 2014	346	395	502	1,243
At 31 March 2013	168	58	642	868

16. INVESTMENT PROPERTIES

	The Group and the Company HK$'000
At fair value	
At 1 April 2012	4,420
Change in fair value	1,890
At 31 March 2013 and 1 April 2013	6,310
Change in fair value	7,840
At 31 March 2014	14,150

The Group's property interests held for rental purposes are measured using the fair value model and are classified and accounted for as investment properties.

At 31 March 2014, all of the Group's investment properties with an aggregate carrying amount of HK$14,150,000 (2013: nil) were pledged to secure other borrowing granted to the Group (note 25).

On 20 June 2014, the Group disposed of all of its investment properties to five independent third parties at an aggregate consideration of HK$14,150,000 and the pledge was released upon completion of the disposal.

Fair value measurement of properties

(i) Fair value hierarchy

The following table presents the fair value of the Group's investment properties measured at the end of the reporting period on a recurring basis, categorised into three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

16. INVESTMENT PROPERTIES (continued)

Fair value measurement of properties (continued)

(i) *Fair value hierarchy* (continued)

Level 3 valuations: Fair value measured using significant unobservable inputs.

	Fair value as at 31 March 2014	Fair value measurements as at 31 March 2014 categorised into		
		Level 1	Level 2	Level 3
	HK$'000	HK$'000	HK$'000	RMB'000
The Group				
Recurring fair value measurement				
Investment properties:				
Commercial — HK	14,150	—	14,150	—

During the year ended 31 March 2014, there were no transfers between Level 1 and Level 2, or transfer into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

The investment properties are held in Hong Kong under long leases. All of the Group's investment properties were revalued as at 31 March 2014. The valuations were carried out by an independent firm of surveyors, Grant Sherman Appraisal Limited, who have among their staff Fellows of the Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued.

(ii) *Information about Level 2 fair value measurements*

The fair value of investment properties located in Hong Kong is determined using market comparison approach by reference to recent sales price of comparable properties on a price per square foot basis, using market data which is publicly available.

17. INTANGIBLE ASSETS

The Group

	Right in sharing of profit stream of gaming tables related operation HK$'000	Right in sharing of profit stream of slot machines related operation HK$'000	Total HK$'000
Cost:			
At 1 April 2012, 31 March 2013, 1 April 2013 and 31 March 2014	20,000	47,092	67,092
Amortisation and impairment:			
At 1 April 2012	7,718	43,009	50,727
Charge for the year	1,535	511	2,046
At 31 March 2013 and 1 April 2013	9,253	43,520	52,773
Charge for the year	1,535	511	2,046
At 31 March 2014	10,788	44,031	54,819
Carrying amount:			
At 31 March 2014	9,212	3,061	12,273
At 31 March 2013	10,747	3,572	14,319

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 amount of the intangible assets.

18. GOODWILL

	The Group HK$'000
Cost:	
At 1 April 2012, 31 March 2013, 1 April 2013 and 31 March 2014	18,309
Impairment:	
At 1 April 2012, 31 March 2013, 1 April 2013 and 31 March 2014	18,309
Carrying amount:	
At 31 March 2013 and 31 March 2014	—

Goodwill related 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, LE Guangxi was licenced to provide computer lottery terminals and related hardware and software and marketing services (the "Related Services") to Guangxi Welfare Lottery Issue Centre for two years to July 2013. On 31 October 2012, the license was renewed and LE-Guangxi has been permitted to provide the above-mentioned services to Guangxi Welfare Lottery Issue Centre till 29 October 2015.

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 cash-generating unit engaged in the provision of Related Services in 2012.

19. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2014 HK$'000	2013 HK$'000
Unlisted shares, at cost	**68,790**	118,790
Less: Impairment loss	**(44,328)**	(94,328)
	24,462	24,462

In 2013, 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 2014.

19. INVESTMENTS IN SUBSIDIARIES (continued)

Particulars of subsidiaries as at 31 March 2014 are as follows:

Name of company	Place of incorporation/ business	Particulars of issued and paid-up capital	Proportion of ownership interest held by the Company Directly	Indirectly	Principal activities
GMC Management Limited	Hong Kong/ Hong Kong	10,000 ordinary shares	100%	—	Inactive
Gold Faith Development Limited	BVI/Hong Kong	50,000 ordinary shares	100%	—	Inactive
Hong Kong Macau Express Limited	Hong Kong/ Hong Kong	750,000 ordinary shares	51%	—	Inactive
Jadepower Limited	BVI/Macau	1,000 ordinary shares	100%	—	Investment in slot machines related operation
Super Peak Limited	BVI/Hong Kong	1,000 ordinary shares	100%	—	Not yet commenced business
Thousand Ocean Investments Limited	BVI/Macau	1,000 ordinary shares	100%	—	Investment in gaming tables related operation
Tower Champion Limited	BVI/Hong Kong	1 ordinary share	100%	—	Not yet commenced business
Win Gene Company Limited	Hong Kong/ Hong Kong	1 ordinary share	100%	—	Not yet commenced business
Win Macau Express Limited	Hong Kong/ Hong Kong	1 ordinary share	100%	—	Not yet commenced business
Le Rainbow Worldwide Limited	Hong Kong/ Hong Kong	1 ordinary share	100%	—	Investment holding
Le Rainbow China Limited	Hong Kong/ Hong Kong	1 ordinary share	—	100%	Investment holding
Le Rainbow Venture Limited	Hong Kong/ Hong Kong	1 ordinary share	—	100%	Not yet commenced business
Le Rainbow Overseas Limited	Hong Kong/ Hong Kong	1 ordinary share	—	100%	Not yet commenced business
Sino Immigration Consultants Limited	Hong Kong/ Hong Kong	100 ordinary shares	—	51%	Not yet commenced business
南寧樂彩互動信息服務有限公司 (LE-Guangxi) * (note)	PRC/PRC	HK$16,430,000	—	46.21%	Provision of software, hardware, transmission network and distribution marketing service to Guangxi Welfare Lottery Issue Centre

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

Notes to the Financial Statements (continued)

For the year ended 31 March 2014

19. INVESTMENTS IN SUBSIDIARIES (continued)

In 19 February 2014, the registered capital of LE-Guangxi was increased from HK$8,930,000 to HK$16,430,000, the Group's shareholding in LE-Guangxi had been diluted from 70% to 46.21% accordingly. The Group recognised an increase in non-controlling interests of HK$2,217,000. LE-Guangxi is considered to be a subsidiary of the Company despite the Company holds indirectly not more than half of the equity interest therein as the Company has the power to cast the majority of votes at meetings of the board of directors of LE-Guangxi, which has power to affect the returns of LE-Guangxi.

At 31 March 2014 and 2013, the Group has no significant non-controlling interests.

20. INTEREST IN AN ASSOCIATE

	The Group		The Company	
	2014 HK$'000	2013 HK$'000	**2014 HK$'000**	2013 HK$'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	**—**	—	**1,141,270**	1,141,270
	1,191,209	1,191,209	**1,191,209**	1,191,209

(a) Particulars of the associate as at 31 March 2014, are as follows:

Name of associate	Place of incorporation/ business	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

The associate is accounted for using the equity method in the consolidated financial statements.

20. INTEREST IN AN ASSOCIATE (continued)

(a) Particulars of the associate as at 31 March 2014, are as follows: (continued)

Summarised financial information of the material associate, adjusted for any differences in accounting policies, and reconciled to the carrying amount in the consolidated financial statements are disclosed below:

	Greek Mythology	
	2014	2013
	HK$'000	HK$'000
Gross amounts of the associate's		
Total assets	**5,037,959**	5,037,959
Total liabilities	**(234,694)**	(234,694)
Equity	**4,803,265**	4,803,265
Revenue	**N/A**	N/A
Profit/(loss)	**N/A**	N/A
Reconciliation to the Group's interest in the associate		
Gross amounts of net assets of the associate	**4,803,265**	4,803,265
Group's effective interest	**24.8%**	24.8%
Group's share of net assets of the associate	**1,191,209**	1,191,209
Carrying amount in the consolidated financial statements	**1,191,209**	1,191,209

The above summarised 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 years ended 31 March 2014 and 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 2013 was carried forward to 31 March 2014.

Included in the non-current assets of the associate as at 31 March 2014 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.

21. OTHER FINANCIAL ASSETS

	Note	2014 HK$'000	2013 HK$'000
The Company			
Loan to a subsidiary	(a), 30	–	1,850,000
Less: Impairment loss		–	(1,850,000)
		–	–
The Group			
Available-for-sale financial asset	(b), 30	–	2,095,268
Less: Impairment loss		–	(2,095,268)
		–	–

Notes:

(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 was secured by a guarantee from Mr. Francisco Xavier Albino ("Mr. Albino"), interest-free and repayable on demand.

(b) Available-for-sale financial asset

The available-for-sale financial asset comprises a loan of HK$1.9 billion provided in December 2007 by a wholly-owned subsidiary, Ace High Group Limited, 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.

21. OTHER FINANCIAL ASSETS (continued)

Notes: (continued)

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

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.

22. TRADE AND OTHER RECEIVABLES

	Note	The Group 2014 HK$'000	The Group 2013 HK$'000	The Company 2014 HK$'000	The Company 2013 HK$'000
Trade receivables	(a)	**—**	468,294	**—**	—
Less: Allowance for doubtful debts		**—**	(468,294)	**—**	—
		—	—	**—**	—
Other receivables	(b)	**3,213**	3,275	**35**	41
Due from an associate	(c)	**75,165**	70,365	**13**	13
Due from subsidiaries	(d)	**—**	—	**46,526**	46,526
Loans and receivables		**78,378**	73,640	**46,574**	46,580
Rental and other deposits		**1,252**	437	**1,121**	387
Prepayments		**3,378**	2,734	**1,351**	666
		83,008	76,811	**49,046**	47,633

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

(a) Trade receivables

Transfer of profits of AMA

The transfer of profits of AMA for the periods prior to 1 April 2009 and has been overdue for over 3 years as at 31 March 2013. Due to financial difficulties of AMA, an impairment loss of HK$468,294,000 was recognised in the year ended 31 March 2010.

22. TRADE AND OTHER RECEIVABLES (continued)

(a) Trade receivables (continued)

Impairment of trade receivables and other receivables

Impairment losses in respect of trade receivables and other 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 receivables and other receivables 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 follow:

	The Group	
	2014 HK$'000	2013 HK$'000
At the beginning of the year	**468,294**	468,294
Disposal of a subsidiary	**(468,294)**	—
At the end of the year	**—**	468,294

(b) Other receivables

	The Group		The Company	
	2014 HK$'000	2013 HK$'000	**2014 HK$'000**	2013 HK$'000
Other receivables	**28,513**	28,575	**25,335**	25,341
Less: Impairment loss	**(25,300)**	(25,300)	**(25,300)**	(25,300)
	3,213	3,275	**35**	41

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

	The Group and the Company	
	2014 HK$'000	2013 HK$'000
At the beginning and at the end of the year	**25,300**	25,300

An impairment loss of HK$25,300,000 (2013: HK$25,300,000) was recognised based upon the directors' estimation of the recoverable amount.

22. TRADE AND OTHER RECEIVABLES (continued)

(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 2014 and 2013 as the directors of the Company are of the opinion that the amount can be recovered in full.

(d) Due from subsidiaries

	The Company	
	2014	2013
	HK$'000	HK$'000
Due from subsidiaries	**95,060**	95,060
Less: Impairment loss	**(48,534)**	(48,534)
	46,526	46,526

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

An impairment loss of HK$48,534,000 (2013: HK$48,534,000) was recognised based upon the directors' estimation of the recoverable amount of the amounts due from subsidiaries.

23. TRADE AND OTHER PAYABLES

		The Group		The Company	
	Note	**2014 HK$'000**	2013 HK$'000	**2014 HK$'000**	2013 HK$'000
Trade payables	(a)	**962**	912	**—**	—
Accruals and other payables	(b)	**6,377**	107,525	**2,732**	3,545
Due to related companies	(c)	**156**	156	**—**	—
Due to subsidiaries	(c)	**—**	—	**19,610**	194,475
Financial liabilities measured at amortised cost		**7,495**	108,593	**22,342**	198,020

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	
	2014 HK$'000	2013 HK$'000
Within 1 month	**109**	59
Over 1 year	**853**	853
	962	912

(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 and was disposed of as referred to in note 30 to the financial statements.

(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 2014, the Group and the Company had obligations under a finance lease repayable as follows:

	The Group and the Company			
	2014		2013	
	Present value of the minimum lease payments HK$'000	Total minimum lease payments HK$'000	Present value of the minimum lease payments HK$'000	Total minimum lease payments HK$'000
Within 1 year	139	154	134	154
After 1 year but within 2 years	145	154	139	154
After 2 years but within 5 years	175	180	320	334
	320	334	459	488
	459	488	593	642
Less: Total future interest expenses		(29)		(49)
Present value of lease obligations		459		593

25. OTHER BORROWING

The Group and the Company

Other borrowing of HK$11,000,000 (2013: nil) is secured, interest bearing at 26.4% per annum and repayable on 20 July 2014. Other borrowing was secured by the investment properties of the Group with an aggregate carrying amount of HK$14,150,000 and were repaid on 20 June 2014 upon the completion of the disposal of investment properties as referred to in note 34 (b).

26. PROMISSORY NOTES

	The Group and the Company	
	2014	2013
	HK$'000	HK$'000
At the beginning of the year	**155,210**	145,057
Add: Effective interest on promissory notes (note 6)	**10,864**	10,153
At the end of the year	**166,074**	155,210

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 by applying the effective interest rate of 7% per annum.

(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 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 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.

27. 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 2012	41,527	324,160	2,285,052	6,225	(1,666,165)	990,799
Loss for the year and 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 and at 1 April 2013	41,527	324,160	2,285,052	7,445	(1,741,114)	917,070
Profit for the year and total comprehensive income for the year	—	—	—	—	140,040	140,040
Equity-settled share-based transactions	—	—	—	9,350	—	9,350
Share issue under placing	4,120	13,036	—	—	—	17,156
At 31 March 2014	45,647	337,196	2,285,052	16,795	(1,601,074)	1,083,616

(b) Share capital

	2014		2013	
	Number of shares '000	**Amount HK$'000**	Number of shares '000	Amount HK$'000
Authorised:				
Ordinary shares of HK$0.2 each	**400,000**	**80,000**	8,000,000	80,000
Share consolidation (note i)	**—**	**—**	(7,600,000)	—
Ordinary shares of HK$0.2 each	**400,000**	**80,000**	400,000	80,000
Issued and fully paid:				
At 1 April	**207,633**	**41,527**	4,152,656	41,527
Share consolidation (note i)	**—**	**—**	(3,945,023)	—
Share issue under placing (note ii)	**20,600**	**4,120**	—	—
At 31 March	**228,233**	**45,647**	207,633	41,527

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

27. CAPITAL AND RESERVES (continued)

(b) Share capital (continued)

(i) Share consolidation

Pursuant to an ordinary resolution passed at a special general meeting of the Company held on 27 March 2013, every 20 issued and unissued shares of HK$0.01 each were consolidated into 1 consolidated share of HK$0.2 each with effect from 27 March 2013.

(ii) Share issue under placing

On 17 June 2013, the Company issued 9,600,000 ordinary shares of HK$0.2 each at a price of HK$0.83 per share by way of a placing. Proceeds after deduction of share issue cost of HK$120,000 from such issue amounted to HK$7,848,000, out of which HK$1,920,000 and HK$5,928,000 were recorded in share capital and share premium, respectively.

On 2 September 2013, the Company issued 11,000,000 ordinary shares of HK$0.2 each at a price of HK$0.86 per share by way of a placing. Proceeds after deduction of share issue cost of HK$152,000 from such issue amounted to HK$9,308,000, out of which HK$2,200,000 and HK$7,108,000 were recorded in share capital and share premium, respectively.

(c) Nature and purpose of reserves

(i) Share premium

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

(ii) Special reserve

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

(iii) Contributed surplus

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

27. CAPITAL AND RESERVES (continued)

(c) Nature and purpose of reserves (continued)

(iv) Capital reserve

The capital reserve comprises the 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 overseas subsidiaries. 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 2014, the aggregate amount of reserves of the Company available for distribution to owners of the Company amounted to HK$683,978,000 (2013: HK$543,938,000).

(e) Capital management

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

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

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

27. CAPITAL AND RESERVES (continued)

(e) Capital management (continued)

During 2014, 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 2014 and 2013 is as follow:

	The Group		The Company	
	2014 HK$'000	2013 HK$'000	**2014 HK$'000**	2013 HK$'000
Current liabilities				
— Trade and other payables	**7,495**	108,593	**22,342**	198,020
— Obligations under a finance lease	**139**	134	**139**	134
— Other borrowing	**11,000**	—	**11,000**	—
Non-current liabilities				
— Promissory notes	**166,074**	155,210	**166,074**	155,210
— Obligations under a finance lease	**320**	459	**320**	459
Total debt	**185,028**	264,396	**199,875**	353,823
Less: Cash and cash equivalents	**(3,962)**	(1,199)	**(3,381)**	(411)
Net debt	**181,066**	263,197	**196,494**	353,412
Total equity	**1,121,213**	1,027,072	**1,083,616**	917,070
Adjusted net debt-to-capital ratio	**16%**	26%	**18%**	39%

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

28. SHARE OPTION SCHEME

2002 Scheme

The Company has a share option scheme which was adopted on 12 August 2002 (the "2002 Scheme") whereby the Directors of the Company are authorised, at their discretion, within a period of ten years from 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 to subscribe for shares of the Company. The options give the holder the right to subscribe for ordinary shares in the Company. The 2002 Scheme expired on 12 August 2012.

28. SHARE OPTION SCHEME (continued)

2012 Scheme

The Company's new share option scheme (the "2012 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 11 September 2022. Under the 2012 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 2012 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.

The total numbers of shares which may be issued upon exercise of all options to be granted under the 2012 Scheme of the Company must not in aggregate exceed 10% of the shares in issue at the date of approval of the 2012 Scheme. The total number of shares available for issue under the 2012 Scheme is 415,265,572 shares (20,763,279 shares after share consolidation), representing approximately 10% of the shares in issue as at the date of approval of the 2012 Scheme on 12 September 2012.

28. SHARE OPTION SCHEME (continued)

2012 Scheme (continued)

The maximum numbers of shares in respect of which options may be granted under the 2012 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 2012 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 2012 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 2012 Scheme and expiring in accordance with the terms of the 2012 Scheme or upon the expiry of the tenth anniversary of the 2012 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 2012 Scheme will remain in force for a period of 10 years commencing on 12 September 2012.

28. 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 grated									
Date of grant	Exercisable period	Exercise price per share	Outstanding at 1 April 2012	Granted	Lapsed	share consolidation	Outstanding at 31 March 2013 and 1 April 2013	Exercisable at 31 March 2013	Granted	Lapsed	Outstanding at 31 March 2014	Exercisable at 31 March 2014
28 January 2008	28 January 2008 to 27 January 2018	HK$0.736	2,200,000	–	(2,000,000)	–	–	–	–	–	–	–
28 January 2008	28 January 2009 to 27 January 2018	HK$0.736	1,650,000	–	(1,650,000)	–	–	–	–	–	–	–
28 January 2008	28 January 2010 to 27 January 2018	HK$0.736	1,650,000	–	(1,650,000)	–	–	–	–	–	–	–
28 January 2008	28 January 2008 to 27 January 2018	HK$0.736	3,600,000	–	(3,600,000)	–	–	–	–	–	–	–
28 January 2008	28 January 2009 to 27 January 2018	HK$0.736	2,700,000	–	(2,700,000)	–	–	–	–	–	–	–
28 January 2008	28 January 2010 to 27 January 2018	HK$0.736	2,700,000	–	(2,700,000)	–	–	–	–	–	–	–
23 April 2009	23 April 2010 to 22 April 2009	HK$0.193	3,000,000	–	(3,000,000)	–	–	–	–	–	–	–
12 May 2009	12 May 2009 to 11 May 2009	HK$0.229	5,100,000	–	(5,100,000)	–	–	–	–	–	–	–
5 February 2013	5 February 2013 to 4 February 2023	HK$1.54	–	24,000,000	(12,000,000)	(11,400,000)	600,000	600,000	–	–	600,000	600,000
5 February 2013	5 February 2013 to 4 February 2023	HK$1.54	–	40,000,000	–	(38,000,000)	2,000,000	2,000,000	–	–	2,000,000	2,000,000
5 February 2013	5 February 2013 to 4 February 2023	HK$1.54	–	25,000,000	–	(23,750,000)	1,250,000	1,250,000	–	–	1,250,000	1,250,000
3 March 2014	3 March 2014 to 2 March 2024	HK$1.67	–	–	–	–	–	–	1,000,000	–	1,000,000	1,000,000
3 March 2014	3 March 2014 to 2 March 2024	HK$1.67	–	–	–	–	–	–	2,000,000	–	2,000,000	2,000,000
3 March 2014	3 March 2014 to 2 March 2024	HK$1.67	–	–	–	–	–	–	2,100,000	–	2,100,000	2,100,000
			22,600,000	89,000,000	(34,400,000)	(73,150,000)	3,850,000	3,850,000	5,100,000	–	8,950,000	8,950,000
Weighted average exercise price			HK$0.5164	HK$0.077	HK$0.3856	HK$0.077	HK$1.54	HK$1.54	HK$1.67	–	HK$1.6141	HK$1.6141

The options outstanding at 31 March 2014 had an exercise price of HK$1.54 to 1.67 (2013: HK$1.54) and a weighted average remaining contractual life of 9.5 years (2013: 9.9 years).

Notes to the Financial Statements (continued)

For the year ended 31 March 2014

28. SHARE OPTION SCHEME (continued)

(b) Fair value of share options and assumptions

(i) Granted to employees

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.

	2014	2013
Fair value of share options and assumptions:		
Fair value at measurement date	HK$1.479	HK$1.44
Share price	HK$1.67	HK$1.54
Exercise price	HK$1.67	HK$1.54
Expected volatility	100.31%	126.44%
Option life	10 years	10 years
Expected dividends	0%	0%
Risk-free interest rate	2.135%	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.

There was no market conditions associated with the share option granted.

(ii) Granted to consultants

The fair value for share options granted is measured using the market-based approach, by reference to the discounted cash flows to estimate the fair value of the professional fees that should have been paid.

The equity-settled share-based payments charged to the profit and loss was HK$9,350,000 (2013: HK$7,445,000) for the year ended 31 March 2014.

29. FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate 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 equivalent. 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 recoverable 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.

29. FINANCIAL INSTRUMENTS (continued)

(b) Liquidity risk (continued)

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

(i) The Group

	2014				
	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	459	488	154	154	180
Promissory notes	166,074	189,998	—	189,998	—
Trade and other payables	7,495	7,495	7,495	—	—
Other borrowing	11,000	11,968	11,968	—	—
	182,028	209,949	19,617	190,152	180

	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

29. FINANCIAL INSTRUMENTS (continued)

(b) Liquidity risk (continued)

(ii) The Company

	2014				
	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	459	488	154	154	180
Promissory notes	166,074	189,998	—	189,998	—
Trade and other payables	22,342	22,342	22,342	—	—
Other borrowing	11,000	11,968	11,968	—	—
	199,875	224,796	34,464	190,152	180

	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

(c) Interest rate risk

The Group's and the Company's interest rate risk arises primarily from obligations under a finance lease and other borrowing. The obligations under a finance lease and other borrowing 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 of income, expenses and financial instruments 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 2014 and 2013.

30. DISPOSAL OF A SUBSIDIARY

On 28 February 2014, the Group disposed of its entire equity interest in Ace High Group Limited ("Ace High"), a wholly-owned subsidiary of the Group, to an independent third party, at cash consideration of HK$1,000. The principal activity of Ace High is investment in junket related operation.

The net liabilities of Ace High at the date of disposal were as follows:

	Note	HK$'000
Other financial assets	21	2,095,268
Impairment loss		(2,095,268)
Other receivables		3
Amount due to Mr Albino	23(b)	(102,439)
Net liabilities disposed of		(102,436)
Gain on disposal of a subsidiary		102,437
Satisfied by cash		1

31. OPERATING LEASE COMMITMENTS

At 31 March 2014, the total future minimum lease payments payable under non-cancellable operating leases are as follows:

	The Group and the Company	
	2014	2013
	HK$'000	HK$'000
Within one year	**4,722**	922
In the second to fifth year	**4,128**	—
	8,850	922

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.

32. 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 employee as disclosed in note 9 is as follows:

	The Group	
	2014	2013
	HK$'000	HK$'000
Salaries and other short-term employee benefits	**5,562**	5,646
Equity-settled share-based payments	**2,810**	2,318
Post-employment scheme contributions	**30**	194
	8,402	8,158

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	
	2014	2013
	HK$'000	HK$'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.

33. 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, 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.

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

(a) Key sources of estimation uncertainty (continued)

(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 sated 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 was 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 2014, the carrying amount of property, plant and equipment is approximately HK$1,639,000 (2013: HK$1,620,000).

(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 2014, the carrying amount of intangible assets is approximately HK$12,273,000 (2013: HK$14,319,000).

(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 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.

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

(a) Key sources of estimation uncertainty (continued)

(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 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 counterparty. If the financial conditions of counterparties of the Group were to deteriorate, an impairment may be required. As at 31 March 2014, the carrying amount of trade and other receivables, other than deposits and prepayments is approximately HK$78,378,000 (2013: HK$73,640,000).

(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.

34. NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

(a) Subsequent to the end of the reporting period, the Company entered into the sale and purchase agreement with the vendor, pursuant to which, the Company has conditionally agreed to acquire and the vendor has conditionally agreed to sell 60% equity interest in Forenzia Enterprises Limited at a consideration of HK$54,982,000. The consideration is to be satisfied by issuing 37,000,000 consideration shares of the Company at an issue price upon completion. Forenzia Enterprises Limited, through its wholly-owned subsidiaries, holds a gaming license in Vanuatu and its principal activity is to conduct gaming business in Vanuatu.

(b) On 20 June 2014, the Group completed the disposal of all of its investment properties to five independent third parties at an aggregated consideration of HK$14,150,000. Other borrowings of HK$11,000,000 together with interest were repaid and the pledge on these investment properties was released accordingly.

35. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2014

Up to the date of issue of these financial statements, the HKICPA has issued a few amendments and new standards and interpretations which are not yet effective for the year ended 31 March 2014 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities[1]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[6]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[6]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contribution[2]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets[1]
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010–2012 Cycle[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011–2013 Cycle[2]
HKFRS 9	Financial Instruments[3]
HKFRS 14	Regulatory Deferral Accounts[5]
HK(IFRIC) — Int 21	Levies[1]

1 Effective for annual periods beginning on or after 1 January 2014

2 Effective for annual periods beginning on or after 1 July 2014

3 Available for application-the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised

4 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions

5 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016

6 Effective for annual periods beginning on or after 1 January 2016

Five-Year Financial Summary

RESULTS

	Year ended 31 March				
	2014 HK$'000	2013 HK$'000	2012 HK$'000	2011 HK$'000	2010 HK$'000
TURNOVER	**4,965**	5,494	4,921	4,860	5,551
SHARE OF PROFIT/(LOSS) OF ASSOCIATES	**—**	—	238,364	844,007	(556,946)
PROFIT/(LOSS) FOR THE YEAR	**65,387**	(39,384)	161,092	555,334	(2,477,499)
ATTRIBUTABLE TO					
— Owners of the Company	**66,662**	(38,632)	162,251	555,334	(2,477,499)
— Non-controlling interests	**(1,275)**	(752)	(1,159)	—	—
EARNINGS/(LOSS) PER SHARE (in HK Cents)					
— Basic	**30.13**	(18.60)	78.2	287.2	(1,442.80)
— Diluted	**30.13**	(18.60)	78.2	286.6	(1,442.80)

ASSETS AND LIABILITIES

	At 31 March				
	2014 HK$'000	2013 HK$'000	2012 HK$'000	2011 HK$'000	2010 HK$'000
NON-CURRENT ASSETS	**1,219,271**	1,213,458	1,213,907	1,026,789	466,242
CURRENT ASSETS	**86,970**	78,010	96,290	111,257	166,164
TOTAL ASSETS	**1,306,241**	1,291,468	1,310,197	1,138,046	632,406
NON-CURRENT LIABILITIES	**(166,394)**	(155,669)	(145,057)	(135,568)	(226,726)
CURRENT LIABILITIES	**(18,634)**	(108,727)	(106,148)	(106,431)	(113,048)
TOTAL LIABILITIES	**(185,028)**	(264,396)	(251,205)	(241,999)	(339,774)
NET ASSETS	**1,121,213**	1,027,072	1,058,992	896,047	292,632
EQUITY HOLDERS' FUND	**1,120,616**	1,027,417	1,058,442	896,047	292,632
NON-CONTROLLING INTERESTS	**597**	(345)	550	—	—
TOTAL EQUITY	**1,121,213**	1,027,072	1,058,992	896,047	292,632

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%

On 20 June 2014, the Group disposed of all of its investment properties to five independent third parties at an aggregate consideration of HK$14,150,000.