



A-MAX HOLDINGS LIMITED

奧瑪仕控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 959)

ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2007

The Directors of A-Max Holdings Limited (the “Company”) are pleased to announce the audited consolidated results of the Company and its subsidiaries (together the “Group”) for the year ended 31 March 2007 as follows:

Consolidated Income Statement

For the year ended 31 March 2007

	Note	2007 HK\$'000	2006 HK\$'000 (restated)
Continuing operations			
Turnover	2	65,326	60,971
Cost of sales		<u>(57,310)</u>	<u>(94,368)</u>
Gross profit/(loss)		8,016	(33,397)
Other revenue	3	1,154	1,912
Gain on disposal of property, plant and equipment		13	–
Selling and distribution expenses		(4,032)	(2,244)
General and administrative expenses		(28,434)	(14,145)
Reduction in provision for other payables		9,184	1,600
Loss from operations	4	(14,099)	(46,274)
Finance costs	5	(53,054)	(1,225)
Excess of fair value of net assets acquired over the cost of acquisition of an associate		–	178,800
Share of (loss)/profit of an associate			
Share of operating profit of an associate		120,402	3,251
Share of amortisation of intangible asset of an associate		(178,075)	(1,949)
		(57,673)	1,302
Gain on disposal of subsidiaries		14,123	–
(Loss)/profit before taxation		(110,703)	132,603
Income tax	6	(7)	–
(Loss)/profit for the year from continuing operations		(110,710)	132,603
Discontinued operation			
Loss for the year from discontinued operation	7(a)	(7,990)	(19,661)
(Loss)/profit for the year		(118,700)	112,942

	<i>Note</i>	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i> (restated)
Attributable to:			
Equity shareholders of the Company		(118,659)	112,942
Minority interests		(41)	–
		<u>(118,700)</u>	<u>112,942</u>
(Loss)/profit for the year		<u>(118,700)</u>	<u>112,942</u>
(Loss)/earnings per share – basic			
From continuing and discontinued operations	<i>8(a)</i>	<u>HK(1.63) cents</u>	<u>HK3.01 cents</u>
From continuing operations		<u>HK(1.52) cents</u>	<u>HK3.53 cents</u>
From discontinued operation		<u>HK(0.11) cents</u>	<u>HK(0.52) cents</u>
(Loss)/earnings per share – diluted			
From continuing and discontinued operations	<i>8(b)</i>	<u>N/A</u>	<u>HK1.52 cents</u>
From continuing operations		<u>N/A</u>	<u>HK1.78 cents</u>
From discontinued operation		<u>N/A</u>	<u>HK(0.26) cents</u>

Consolidated Balance Sheet

As at 31 March 2007

	Note	2007		2006	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
Non-current assets					
Fixed assets	9				
– Property, plant and equipment			17,876		58,543
– Interests in leasehold land held for own use under operating leases			–		4,539
			<u>17,876</u>		<u>63,082</u>
Intangible assets	10		67,821		–
Interest in an associate	20		2,454,597		2,512,270
			<u>2,540,294</u>		<u>2,575,352</u>
Current assets					
Inventories	11	5,540		9,157	
Trade and other receivables	12	44,199		6,470	
Cash and cash equivalents	13	57,757		4,726	
			<u>107,496</u>	<u>20,353</u>	
Current liabilities					
Trade and other payables	14	(42,004)		(22,239)	
Income tax payable		(7)		–	
			<u>(42,011)</u>	<u>(22,239)</u>	
Net current assets/(liabilities)			<u>65,485</u>	<u>(1,886)</u>	
Total assets less current liabilities			<u>2,605,779</u>	<u>2,573,466</u>	
Non-current liabilities					
Borrowings	15	(53,985)		(52,969)	
Convertible notes	16	–		(2,435)	
Promissory notes	17	(791,878)		(740,077)	
			<u>(845,863)</u>	<u>(795,481)</u>	
NET ASSETS			<u>1,759,916</u>	<u>1,777,985</u>	
CAPITAL AND RESERVES					
Share capital	18	11,205		4,825	
Reserves		1,748,384		1,773,160	
Total equity attributable to equity shareholders of the Company			<u>1,759,589</u>	<u>1,777,985</u>	
Minority interests			<u>327</u>	<u>–</u>	
TOTAL EQUITY			<u>1,759,916</u>	<u>1,777,985</u>	

Notes:

1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

The HKICPA has issued new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies applied in these financial statements and has no significant impact on the results or the financial position of the Group and the Company for current and previous accounting periods.

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

2. TURNOVER

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

	2007 <i>HK\$’000</i>	2006 <i>HK\$’000</i>
Continuing operations:		
Sales of LCD products	59,580	60,971
Revenue from gaming operations	1,131	–
Revenue from sales of travel packages	4,615	–
	<u>65,326</u>	<u>60,971</u>
Discontinued operation (note 7):		
Sales of LCD consumer products	260	20,064
	<u>65,586</u>	<u>81,035</u>

3. OTHER REVENUE

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

	2007 <i>HK\$’000</i>	2006 <i>HK\$’000</i>
Continuing operations:		
Interest income from banks	6	4
Dividend income from unlisted equity securities	–	311
Rental income	944	526
Refund of export tax paid	174	1,020
Sundry income	30	51
	<u>1,154</u>	<u>1,912</u>
Discontinued operation (note 7):		
Interest income from banks	1	3
Sundry income	185	7
	<u>186</u>	<u>10</u>
	<u>1,340</u>	<u>1,922</u>

4. LOSS FROM OPERATIONS

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

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
(a) Staff costs (including directors' remuneration):		
Continuing operations:		
Contributions to defined contribution retirement plans	253	226
Salaries, wages and other benefits	<u>13,859</u>	<u>15,478</u>
	<u>14,112</u>	<u>15,704</u>
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Discontinued operation (note 7):		
Contributions to defined contribution retirement plans	6	88
Salaries, wages and other benefits	<u>63</u>	<u>6,808</u>
	<u>69</u>	<u>6,896</u>
	-----	-----
	<u>14,181</u>	<u>22,600</u>
	=====	=====
(b) Other items:		
Continuing operations:		
Amortisation of land lease premium	86	104
Depreciation of property, plant and equipment	7,484	33,344
Amortisation of intangible assets	171	-
Impairment loss on trade and other receivables	271	450
Provision for slow-moving and obsolete inventories	2,206	530
Gain on disposal of property, plant and equipment	(13)	-
Net foreign exchange loss	1,353	353
Auditors' remuneration	500	300
Operating lease rentals:		
- property rentals	405	635
- hire of equipment	6	-
Cost of inventories	<u>57,310</u>	<u>94,368</u>
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Discontinued operation (note 7):		
Depreciation of property, plant and equipment	5,828	7,698
Impairment loss on trade and other receivables	5	304
Provision for slow-moving and obsolete inventories	-	1,500
Net foreign exchange loss	948	42
Operating lease rentals in respect of premises	-	480
Cost of inventories	<u>391</u>	<u>26,572</u>
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5. FINANCE COSTS

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Continuing operations:		
Interest on bank advances and other borrowings wholly repayable within five years	1,201	546
Interest on convertible notes	52	112
Interest on promissory notes	<u>51,801</u>	<u>567</u>
	53,054	1,225
Discontinued operation (note 7):		
Interest on borrowings wholly repayable within five years	<u>1,056</u>	<u>842</u>
	<u><u>54,110</u></u>	<u><u>2,067</u></u>

6. INCOME TAX

(a) Continuing operations:

- (i) Income tax in the consolidated income statement represents

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Current tax – Hong Kong profits tax		
Provision for the year	<u>7</u>	<u>–</u>

The provision for Hong Kong profits tax for the year ended 31 March 2007 is calculated at 17.5% of the estimated assessable profits for the year.

No provision for overseas income tax has been made as the companies comprising the continuing operations have no estimated assessable profits for the year ended 31 March 2007.

No provision for Hong Kong profits tax and overseas income tax has been made as the companies comprising the continuing operations have no estimated assessable profits for the year ended 31 March 2006.

- (ii) Reconciliation between tax expense and accounting (loss)/profit at applicable tax rate:

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
(Loss)/profit before taxation	<u>(110,703)</u>	<u>132,603</u>
Notional tax on (loss)/profit before taxation, calculated at the tax rate of 17.5%	(19,373)	23,206
Tax effect of expenses that are not deductible in determining taxable profit	26,927	6,400
Tax effect of income that are not assessable in determining taxable profit	(10,819)	(32,071)
Tax effect of net deferred tax assets not recognised	<u>3,272</u>	<u>2,465</u>
Actual tax expense	<u><u>7</u></u>	<u><u>–</u></u>

(b) **Discontinued operation (note 7):**

(i) No provision for Hong Kong profits tax and overseas income tax has been made as the companies comprising the discontinued operation have no estimated assessable profits during the years ended 31 March 2007 and 2006.

(ii) Reconciliation between tax expense and accounting loss at applicable tax rate:

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Loss before taxation	<u>(7,990)</u>	<u>(19,661)</u>
Notional tax on loss before taxation, calculated at the tax rate of 17.5%	(1,398)	(3,441)
Tax effect of expenses that are not deductible in determining taxable profit	282	1,100
Tax effect of income that are not assessable in determining taxable profit	–	(13)
Tax effect of net deferred tax assets not recognised	<u>1,116</u>	<u>2,354</u>
Actual tax expense	<u>–</u>	<u>–</u>

(c) **Deferred taxation not recognised**

There was no material unprovided deferred taxation. The Group has not recognised deferred tax assets in respect of cumulative tax losses of approximately HK\$91.0 million (2006: HK\$75.3 million) at 31 March 2007 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 entity. The tax losses do not expire under current tax legislation.

7. DISCONTINUED OPERATION

The Group's manufacturing and trading of LCD consumer products was discontinued during the year.

(a) The results of the discontinued operation for the years ended 31 March 2007 and 2006 were as follows:

	<i>Note</i>	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Turnover	2	260	20,064
Cost of sales		<u>(391)</u>	<u>(26,572)</u>
Gross loss		(131)	(6,508)
Other revenue	3	186	10
Selling and distribution expenses		(2)	(1,033)
General and administrative expenses		(6,987)	(11,988)
Reduction in provision for other payables		<u>–</u>	<u>700</u>
Loss from operations	4	(6,934)	(18,819)
Finance costs	5	<u>(1,056)</u>	<u>(842)</u>
Loss before taxation		(7,990)	(19,661)
Income tax	6	<u>–</u>	<u>–</u>
Loss for the year		<u>(7,990)</u>	<u>(19,661)</u>

- (b) The net cash flows of the discontinued operation for the years ended 31 March 2007 and 2006 were as follows:

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Net cash outflow from operating activities	(472)	(9,848)
Net cash inflow/(outflow) from investing activities	1	(1,473)
Net cash inflow from financing activities	<u>38</u>	<u>9,690</u>
Net cash outflow incurred by the discontinued operation	<u><u>(433)</u></u>	<u><u>(1,631)</u></u>

8. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

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

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

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Continuing operations	(110,669)	132,603
Discontinued operation (Note 7)	<u>(7,990)</u>	<u>(19,661)</u>
	<u><u>(118,659)</u></u>	<u><u>112,942</u></u>

(ii) Weighted average number of ordinary shares

	2007 <i>'000</i>	2006 <i>'000</i>
Issued ordinary shares at 1 April	1,810,813	2,664,838
Effect of convertible notes exercised	5,165,139	1,073,928
Effect of shares issued under the placing	313,891	–
Effect of new shares issued in respect of the acquisition of an associate	<u>–</u>	<u>11,778</u>
Weighted average number of ordinary shares at 31 March	<u><u>7,289,843</u></u>	<u><u>3,750,544</u></u>

(b) Diluted (loss)/earnings per share

The diluted loss per share for the year ended 31 March 2007 is not presented as the Company's potential ordinary shares outstanding during the year had an anti-dilutive effect on the basic loss per share from continuing operations.

The calculation of diluted (loss)/earnings per share for the year ended 31 March 2006 is based on the (loss)/profit attributable to ordinary equity shareholders of the Company and the weighted average number of ordinary shares, calculated as follows:

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

	Continuing operations <i>HK\$'000</i>	2006 Discontinued operation <i>HK\$'000</i>	Total <i>HK\$'000</i>
(Loss)/profit attributable to ordinary equity shareholders	132,603	(19,661)	112,942
After tax effect of effective interest on liability component of convertible notes	<u>112</u>	<u>—</u>	<u>112</u>
(Loss)/profit attributable to ordinary equity shareholders (diluted)	<u><u>132,715</u></u>	<u><u>(19,661)</u></u>	<u><u>113,054</u></u>

(ii) Weighted average number of ordinary shares (diluted)

	2006 <i>'000</i>
Weighted average number of ordinary shares at 31 March	3,750,544
Effect of conversion of convertible notes	<u>3,685,373</u>
Weighted average number of ordinary shares (diluted) at 31 March	<u><u>7,435,917</u></u>

9. FIXED ASSETS

	Buildings for own use carried at cost <i>HK\$'000</i>	Leasehold improvements <i>HK\$'000</i>	Plant and machinery <i>HK\$'000</i>	Other fixed assets <i>HK\$'000</i>	Sub-total <i>HK\$'000</i>	Interests in leasehold land held for own use under operating leases <i>HK\$'000</i>	Total fixed assets <i>HK\$'000</i>
Cost:							
At 1 April 2005	45,986	22,466	113,651	42,440	224,543	5,232	229,775
Additions	–	2,138	921	2,108	5,167	–	5,167
At 31 March 2006	<u>45,986</u>	<u>24,604</u>	<u>114,572</u>	<u>44,548</u>	<u>229,710</u>	<u>5,232</u>	<u>234,942</u>
At 1 April 2006	45,986	24,604	114,572	44,548	229,710	5,232	234,942
Additions	–	1,096	121	2,889	4,106	–	4,106
Disposal	–	–	(250)	(41)	(291)	–	(291)
Disposal of subsidiaries	(45,986)	(21,169)	–	–	(67,155)	(5,232)	(72,387)
At 31 March 2007	<u>–</u>	<u>4,531</u>	<u>114,443</u>	<u>47,396</u>	<u>166,370</u>	<u>–</u>	<u>166,370</u>
Accumulation amortisation and depreciation:							
At 1 April 2005	11,036	16,152	72,540	30,397	130,125	589	130,714
Charge for the year	1,840	4,844	25,424	8,934	41,042	104	41,146
At 31 March 2006	<u>12,876</u>	<u>20,996</u>	<u>97,964</u>	<u>39,331</u>	<u>171,167</u>	<u>693</u>	<u>171,860</u>
At 1 April 2006	12,876	20,996	97,964	39,331	171,167	693	171,860
Charge for the year	1,686	2,003	6,661	2,962	13,312	86	13,398
Written back on disposals	–	–	(250)	(4)	(254)	–	(254)
Disposal of subsidiaries	(14,562)	(21,169)	–	–	(35,731)	(779)	(36,510)
At 31 March 2007	<u>–</u>	<u>1,830</u>	<u>104,375</u>	<u>42,289</u>	<u>148,494</u>	<u>–</u>	<u>148,494</u>
Net book value:							
At 31 March 2007	<u>–</u>	<u>2,701</u>	<u>10,068</u>	<u>5,107</u>	<u>17,876</u>	<u>–</u>	<u>17,876</u>
At 31 March 2006	<u>33,110</u>	<u>3,608</u>	<u>16,608</u>	<u>5,217</u>	<u>58,543</u>	<u>4,539</u>	<u>63,082</u>

10. INTANGIBLE ASSETS

HK\$'000

Cost:

Additions and at 31 March 2007 67,992

Accumulated amortisation:

Charge for the year and at 31 March 2007 171

Net book value:

At 31 March 2007 67,821

The intangible assets represent the operating rights of 5 gaming tables in the high roller area of and 204 electronic slot machines in the Greek Mythology Casino (see note 5) in Macau.

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

11. INVENTORIES

	2007 HK\$'000	2006 HK\$'000
Raw materials, at cost	4,854	7,268
Work in progress, at cost	1,960	1,734
Finished goods, at cost	<u>2,962</u>	<u>2,185</u>
	9,776	11,187
Less: Provision for slow-moving and obsolete inventories	<u>(4,236)</u>	<u>(2,030)</u>
	<u><u>5,540</u></u>	<u><u>9,157</u></u>

12. TRADE AND OTHER RECEIVABLES

	2007 HK\$'000	2006 HK\$'000
Trade receivables		
– related company	573	–
– others	<u>8,028</u>	<u>5,889</u>
	8,601	5,889
Rental and other deposits	620	63
Dividend receivable	–	311
Due from the associate	1,161	–
Prepayments, deposits and other receivables	<u>33,817</u>	<u>207</u>
	<u><u>44,199</u></u>	<u><u>6,470</u></u>

All of the trade and other receivables, apart from rental and other deposits, are expected to be recovered within one year.

The ageing analysis of trade receivables (net of impairment losses for bad and doubtful debts) as of the balance sheet date is as follows:

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Within 1 month	5,382	3,310
1 to 2 months	1,394	1,507
2 to 3 months	427	550
More than 3 months	1,398	522
	<u>8,601</u>	<u>5,889</u>

Included in trade and other receivables are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

	2007 <i>'000</i>	2006 <i>'000</i>
United States Dollars	US\$654	US\$54
Renminbi	RMB293	RMB225

13. CASH AND CASH EQUIVALENTS

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Cash at bank	51,532	4,699
Cash in hand	6,225	27
	<u>57,757</u>	<u>4,726</u>

Included in cash and cash equivalents in the balance sheet are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

	2007 <i>'000</i>	2006 <i>'000</i>
United States Dollars	US\$26	US\$15
Renminbi	RMB140	RMB654

14. TRADE AND OTHER PAYABLES

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Trade payables	16,317	15,293
Payable for acquisition of intangible assets	20,000	–
Accruals and other payables	5,687	6,946
	<u>42,004</u>	<u>22,239</u>

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

The ageing analysis of trade payables as of the balance sheet date is as follows:

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Within 1 month	4,233	4,762
After 1 month but within 2 months	5,015	4,106
After 2 months but within 3 months	1,594	1,940
After 3 months	5,475	4,485
	<u>16,317</u>	<u>15,293</u>

Included in trade and other payables are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

	2007 <i>'000</i>	2006 <i>'000</i>
Renminbi	<u>RMB7,761</u>	<u>RMB9,803</u>

15. BORROWINGS

	<i>Notes</i>	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Other loans – unsecured	<i>(a)</i>	53,985	43,785
Amounts due to ex-directors	<i>(b)</i>	–	9,184
		<u>53,985</u>	<u>52,969</u>

Notes:

- (a) Other loans represent unsecured loans from unrelated parties, which bear interest ranging from 3.5% to 8.5% (2006: 3.5% to 6%) per annum and are not repayable within the next twelve months.
- (b) The amounts due to ex-directors, which represented emoluments due to ex-directors, were unsecured and non-interest bearing. The amounts were waived in full during the year.

Included in non-current borrowings are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

	2007 <i>'000</i>	2006 <i>'000</i>
Renminbi	<u>RMB30,595</u>	<u>RMB26,750</u>

16. CONVERTIBLE NOTES

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
At 31 March	<u>–</u>	<u>2,435</u>

Note:

Pursuant to a subscription agreement dated 20 February 2004, the Company issued the convertible notes in the aggregate amount of HK\$14.6 million (comprising 73 notes with a face value of HK\$200,000 each) to Firstcom Technology Limited to raise working capital for the repayment of certain term loans due to lenders and for the general working capital of the Group. The convertible notes bear interest at 1.5% per annum and can be converted into new ordinary shares during the period from 31 March 2004 to 30 March 2009 at the conversion ratio of 5% of the then issued share capital of the Company at the time of conversion for each note in the face value of HK\$200,000. The shares so converted will rank pari passu in all respect with all other ordinary shares in issue on the date of allotment.

The convertible notes that are not converted into ordinary shares will be redeemed at face value on 30 March 2009. The notes bear effective interest at 6.41% per annum and are unsecured.

During the year ended 31 March 2007, the noteholders converted the convertible notes with a total face value of HK\$2,800,000 (2006: HK\$1,400,000) into 5,207,030,659 (2006: 1,084,856,676) new ordinary shares of HK\$0.001 each. All of the convertible notes had been converted into the Company's new ordinary shares during the year ended 31 March 2007.

17. PROMISSORY NOTES

On 28 March 2006, the Company issued promissory notes with the aggregate face values of approximately HK\$1,454,722,000 as part of the consideration for the acquisition of the associate (note 20(c)).

The promissory notes are unsecured, non-interest bearing and repayable on the tenth year of the date of issue of the promissory notes.

Interest expense on promissory notes is calculated using the effective interest method by applying the effective interest rate of 7% per annum to the fair value of the promissory notes.

18. CAPITAL AND RESERVES

	Attributable to equity shareholders of the Company								
	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000	Capital reserve HK\$'000	Exchange reserve HK\$'000	Retained profits/ losses HK\$'000	Total HK\$'000	Minority interests HK\$'000	Total HK\$'000
At 1 April 2005	2,665	1,419,437	(22,470)	872	(117)	(48,175)	1,352,212	-	1,352,212
Shares issued under conversion of convertible notes	1,085	369	-	(291)	-	-	1,163	-	1,163
Share issued in respect of the acquisition of Greek Mythology	1,075	310,597	-	-	-	-	311,672	-	311,672
Share issuance expenses	-	(4)	-	-	-	-	(4)	-	(4)
Profit for the year	-	-	-	-	-	112,942	112,942	-	112,942
At 31 March 2006	<u>4,825</u>	<u>1,730,399</u>	<u>(22,470)</u>	<u>581</u>	<u>(117)</u>	<u>64,767</u>	<u>1,777,985</u>	<u>-</u>	<u>1,777,985</u>
At 1 April 2006	4,825	1,730,399	(22,470)	581	(117)	64,767	1,777,985	-	1,777,985
Shares issued under the placing	1,173	99,220	-	-	-	-	100,393	-	100,393
Shares issued under conversion of convertible notes	5,207	(2,138)	-	(581)	-	-	2,488	-	2,488
Share issuance expenses	-	(2,618)	-	-	-	-	(2,618)	-	(2,618)
Capital contributions from a minority shareholder of a subsidiary	-	-	-	-	-	-	-	368	368
Loss for the year	-	-	-	-	-	(118,659)	(118,659)	(41)	(118,700)
At 31 March 2007	<u>11,205</u>	<u>1,824,863</u>	<u>(22,470)</u>	<u>-</u>	<u>(117)</u>	<u>(53,892)</u>	<u>1,759,589</u>	<u>327</u>	<u>1,759,916</u>

19. SEGMENT REPORTING

Segment information is presented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format because this is more relevant to the Group's internal financial reporting.

Business segments

The Group comprises the following main business segments:

Continuing operations:

LCD products segment: the manufacturing and sales of LCD and LCD modules.

Gaming and entertainment segment: the promotion, client development, co-ordination and operation of gaming business.

Discontinued operation:

LCD consumer products segment: the manufacturing and sales of calculators and other electronic products.

(a) Business segments

For the year ended 31 March 2007

	Continuing operations			Discontinued operation	Inter-segment eliminations HK\$'000	Total HK\$'000
	LCD products HK\$'000	Gaming and entertainment HK\$'000	Sub-total HK\$'000	LCD consumer products HK\$'000		
Revenue						
Revenue from external customers	59,580	5,746	65,326	260	-	65,586
Inter-segment revenue*	3	-	3	-	(3)	-
Total	59,583	5,746	65,329	260	(3)	65,586
Results						
Segment results	(16,090)	1,934	(14,156)	(6,565)	-	(20,721)
Unallocated operating income and expenses			(9,127)	(369)		(9,496)
Reduction in provision for other payables			9,184	-		9,184
Loss from operations			(14,099)	(6,934)		(21,033)
Finance costs			(53,054)	(1,056)		(54,110)
Share of loss of the associate	-	(57,673)	(57,673)	-		(57,673)
Gain on disposal of subsidiaries			14,123	-		14,123
Taxation			(7)	-		(7)
Loss for the year			(110,710)	(7,990)		(118,700)

For the year ended 31 March 2006

	Continuing operations			Discontinued operation	Inter-segment eliminations HK\$'000	Total HK\$'000
	LCD products HK\$'000	Gaming and entertainment HK\$'000	Sub-total HK\$'000	LCD consumer products HK\$'000		
Revenue						
Revenue from external customers	60,971	–	60,971	20,064	–	81,035
Inter-segment revenue*	1,234	–	1,234	214	(1,448)	–
Total	62,205	–	62,205	20,278	(1,448)	81,035
Results						
Segment results	(42,505)	311	(42,194)	(19,528)	(125)	(61,847)
Unallocated operating income and expenses			(5,680)	9	125	(5,546)
Reduction in provision for other payables			1,600	700		2,300
Loss from operations			(46,274)	(18,819)		(65,093)
Finance costs			(1,225)	(842)		(2,067)
Excess of fair value of net assets acquired over the cost of acquisition of an associate	–	178,800	178,800	–		178,800
Share of profit of the associate	–	1,302	1,302	–		1,302
Profit/(loss) for the year			132,603	(19,661)		112,942

* Inter-segment revenue is charged based on terms mutually agreed between the segments.

As at 31 March 2007

	Continuing operations			Discontinued operation	Total HK\$'000
	LCD products HK\$'000	Gaming and entertainment HK\$'000	Sub-total HK\$'000	LCD consumer products HK\$'000	
Assets					
Segment assets	<u>17,346</u>	<u>110,964</u>	<u>128,310</u>	<u>10,775</u>	139,085
Interest in an associate		2,454,597			2,454,597
Unallocated assets					<u>54,108</u>
Total assets					<u>2,647,790</u>
Liabilities					
Segment liabilities	<u>19,900</u>	<u>105</u>	<u>20,005</u>	<u>1,313</u>	21,318
Unallocated liabilities					<u>866,556</u>
Total liabilities					<u>887,874</u>
Other segment information:					
Capital expenditure incurred during the year	653	69,825	70,478	-	
Depreciation and amortisation for the year	<u>6,320</u>	<u>685</u>	<u>7,005</u>	<u>5,828</u>	

As at 31 March 2006

	Continuing operations			Discontinued operation	Total HK\$'000
	LCD products HK\$'000	Gaming and entertainment HK\$'000	Sub-total HK\$'000	LCD consumer products HK\$'000	
Assets					
Segment assets	<u>39,729</u>	<u>-</u>	<u>39,729</u>	<u>37,020</u>	76,749
Interest in an associate		2,512,270			2,512,270
Unallocated assets					<u>6,686</u>
Total assets					<u>2,595,705</u>
Liabilities					
Segment liabilities	<u>24,068</u>	<u>809</u>	<u>24,877</u>	<u>-</u>	24,877
Unallocated liabilities					<u>792,843</u>
Total liabilities					<u>817,720</u>
Other segment information:					
Capital expenditure incurred during the year	690	1,051,182	1,051,872	1,488	
Depreciation and amortisation for the year	<u>30,118</u>	<u>-</u>	<u>30,118</u>	<u>10,787</u>	

(b) **Geographical segments**

In presenting information on the basis of the geographical segment, segment revenue is based on the geographical location of the customers. Segment assets and capital expenditure are based on the geographical location of the assets.

For the year ended 31 March 2007

	Hong Kong HK\$'000	Macau HK\$'000	The PRC (excluding Hong Kong and Macau) HK\$'000	Japan HK\$'000	South Korea HK\$'000	Others HK\$'000	Total HK\$'000
Segment revenue							
Revenue from external customers	38,588	1,131	5,805	3,280	13,861	2,661	65,326
Attributable to discontinued operation	–	–	260	–	–	–	260
	<u>38,588</u>	<u>1,131</u>	<u>6,065</u>	<u>3,280</u>	<u>13,861</u>	<u>2,661</u>	<u>65,586</u>
Revenue from Continuing operations	<u>38,588</u>	<u>1,131</u>	<u>6,065</u>	<u>3,280</u>	<u>13,861</u>	<u>2,661</u>	<u>65,586</u>
Segment assets							
– Continuing operations	18,049	2,562,584	2,273	–	–	–	2,582,906
– Discontinued operation	1,069	–	9,707	–	–	–	10,776
	<u>19,118</u>	<u>2,562,584</u>	<u>11,980</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>2,593,682</u>
– Unallocated assets							54,108
							<u>2,647,790</u>
Segment capital expenditure							
– Continuing operations	2,068	67,992	418	–	–	–	70,478
– Discontinued operation	–	–	–	–	–	–	–
	<u>2,068</u>	<u>67,992</u>	<u>418</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>70,478</u>
– Unallocated							1,620
							<u>72,098</u>

For the year ended 31 March 2006

	Hong Kong HK\$'000	Macau HK\$'000	The PRC (excluding Hong Kong and Macau) HK\$'000	Japan HK\$'000	South Korea HK\$'000	Others HK\$'000	Total HK\$'000
Segment revenue							
Revenue from continuing operations	28,288	–	13,434	2,838	14,041	2,370	60,971
Revenue from discontinued operation	12,715	–	1,979	4,842	–	528	20,064
	<u>41,003</u>	<u>–</u>	<u>15,413</u>	<u>7,680</u>	<u>14,041</u>	<u>2,898</u>	<u>81,035</u>
Segment assets							
– Continuing operations	15,411	2,512,270	24,318	–	–	–	2,551,999
– Discontinued operation	2,172	–	34,848	–	–	–	37,020
	<u>17,583</u>	<u>2,512,270</u>	<u>59,166</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>2,589,019</u>
– Unallocated assets							6,686
							<u>2,595,705</u>
Segment capital expenditure							
– Continuing operations	278	1,051,182	412	–	–	–	1,051,872
– Discontinued operation	28	–	1,460	–	–	–	1,488
	<u>306</u>	<u>1,051,182</u>	<u>1,872</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>1,053,360</u>
– Unallocated							2,989
							<u>1,056,349</u>

20. INTEREST IN AN ASSOCIATE

	2007 HK\$'000	2006 HK\$'000
Unlisted shares, at cost	–	–
Share of net assets	<u>2,454,597</u>	<u>2,512,270</u>
	<u>2,454,597</u>	<u>2,512,270</u>

(a) Particulars of the associate at 31 March 2007 were as follows:

Name of associate	Place of incorporation and operation	Particulars of issued and paid up capital	Proportion of ownership interest		Principal activities
			Group's effective interest	Held by the Company	
Greek Mythology (Macau) Entertainment Group Corporation Limited ("Greek Mythology")	Macau	2,412 ordinary shares of MOP \$1,000 each	49.9%	49.9%	Gaming and entertainment business

Greek Mythology manages a casino operated under the gaming concession of Sociedade de Jogos de Macau, S.A. in the New Century Hotel (the “Greek Mythology Casino”) in Macau.

(b) Summary financial information on the associate

	At 31 March 2007			Year ended 31 March 2007			
	Assets <i>HK\$'000</i>	Liabilities <i>HK\$'000</i>	Equity <i>HK\$'000</i>	Revenues <i>HK\$'000</i>	Operating profit <i>HK\$'000</i>	Amortisation of intangible asset <i>HK\$'000</i>	Net profit <i>HK\$'000</i>
100 per cent	5,622,319	703,286	4,919,033	385,193	241,287	(356,864)	(115,577)
Group's effective interest	<u>2,805,537</u>	<u>350,940</u>	<u>2,454,597</u>	<u>192,211</u>	<u>120,402</u>	<u>(178,075)</u>	<u>(57,673)</u>
	At 31 March 2006			Year ended 31 March 2006			
	Assets <i>HK\$'000</i>	Liabilities <i>HK\$'000</i>	Equity <i>HK\$'000</i>	Revenues <i>HK\$'000</i>	Operating profit <i>HK\$'000</i>	Amortisation of intangible asset <i>HK\$'000</i>	Net profit <i>HK\$'000</i>
100 per cent	5,653,150	618,540	5,034,610	8,524	6,515	(3,906)	2,609
Group's effective interest	<u>2,820,922</u>	<u>308,652</u>	<u>2,512,270</u>	<u>4,253</u>	<u>3,251</u>	<u>(1,949)</u>	<u>1,302</u>

(c) Acquisition of Greek Mythology

	2006 <i>HK\$'000</i>
Purchase consideration	
Issue of promissory note	
Face value of promissory note (note 17)	1,454,722
Reduction of face value to fair value	<u>(715,212)</u>
Fair value of promissory note	739,510
Issue of new shares	<u>601,850</u>
	1,341,360
Shortfall in market price of shares issued	<u>(290,178)</u>
Fair value of consideration for additional 30% interest in Greek Mythology	1,051,182
Cost of investment for 19.9% interest in Greek Mythology acquired in the financial year 2005	<u>1,280,986</u>
Total acquisition cost of 49.9% interest in Greek Mythology	2,332,168
Fair value of net assets acquired, as detailed below	<u>2,510,968</u>
Excess of fair value of net assets acquired over the cost of acquisition of an associate	<u>178,800</u>

On 28 March 2006, the Group completed the acquisition of a further 30% equity interest in Greek Mythology with part of the consideration being settled by the allotment and issue of 1,074,732,630 new shares of HK\$0.001 each by the Company at an issue price of HK\$0.56 each. HKFRS 3 “Business Combinations” requires the fair value of the share consideration for accounting purposes to be determined at the date that significant influence over its management (including participation in the financial and operating policy decisions) becomes effective. At the completion date of acquisition, the market price of the shares of the Company was HK\$0.29. Accordingly, the fair value of the consideration shares for this purpose was approximately HK\$311,672,000.

The assets and liabilities arising from the acquisition are as follows:

	2006	
	Carrying amount of the associate <i>HK\$'000</i>	Fair value <i>HK\$'000</i>
Property, plant and equipment	504,018	504,018
Intangible asset (<i>note</i>)	–	5,000,000
Debtors and prepayments	95,402	95,402
Cash and cash equivalents	98,710	98,710
Creditors and accruals	(66,129)	(66,129)
Borrowings	(600,000)	(600,000)
	<u>32,001</u>	<u>5,032,001</u>
Net assets		
	<u>32,001</u>	<u>5,032,001</u>
49.9% of net assets acquired		<u>2,510,968</u>

Note: The intangible asset represents the rights for the management of the Greek Mythology Casino.

21. NON-ADJUSTING POST BALANCE SHEET EVENTS

- (a) On 28 June 2007, Profit Goal Holdings Limited, a wholly-owned subsidiary of the Company, entered into the sale and purchase agreement with an independent third party to dispose of 100% equity interest in A-Max Global Products Limited, a wholly-owned subsidiary of the Company, at a consideration of HK\$1, resulting in a gain of approximately HK\$13 million.
- (b) On 22 May 2007, the Company entered into the rights assignment agreement with a director of the Company's subsidiary pursuant to which Thousand Ocean Investments Limited, a wholly-owned subsidiary of the Company, has conditionally agreed to acquire the operation rights of 5 additional gaming tables in the high roller gaming area of the Greek Mythology Casino within the New Century Hotel in Macau at a consideration of HK\$20 million. Upon the completion of acquisition, the number of high roller gaming tables operated by the Group will increase to 10. However, due to the delay of operation schedule of these 5 additional tables, the transaction was subsequently terminated on 18 July 2007.

Thousand Ocean Investments Limited is principally engaged in the promotion, sales and marketing, client development, coordination and operation of the existing 5 tables at the high roller gaming area in the Greek Mythology Casino.

- (c) Subsequent to the balance sheet date in June and July 2007, AMA International Sociedade Unipessoal Limitada ("AMA"), a company incorporated in Macau in which the Company owns a 80% equity interest, has entered into 10 conditional gaming intermediary agreements (the "Gaming Intermediary Agreements") with a number of the gaming intermediaries, the independent third parties.

Pursuant to each gaming intermediary agreement, the relevant gaming intermediaries will introduce and bring players to play at casinos in Macau designated by AMA. The owners of such casinos will pay commissions to AMA for the amount of non-negotiable chips being exchanged. AMA in turn will pay commission to these gaming intermediaries calculated at the agreed percentages under the relevant Gaming Intermediary Agreements (which are with reference to the market practice) of the amount of non-negotiable chips being exchanged. AMA will be benefited from earning the difference between the commissions received from casinos and the commissions paid to gaming intermediaries.

AMA plans to operate a minimum of 100 gaming tables at all times. The directors of the Company are considering various fund raising methods to meet the necessary operating capital.

Up to the date of these consolidated financial statements, these transactions have not yet been completed.

FINANCIAL REVIEW

During the year under review, the Group posted total turnover (including both continuing and discontinued operations) of approximately HK\$65.6 million (2006: HK\$81.0 million), a decrease of 19.0% over the previous year resulted mainly from the discontinuation of manufacturing business of consumer products. A net loss of approximately HK\$118.7 million (2006: net profit HK\$112.9 million) was recorded for the reporting year with contribution from Greek Mythology amounting to HK\$120.4 million. The loss for the year was merely due to the accounting expenses of HK\$51.9 million non-cash interests on convertible notes and promissory note, and HK\$178.1 million amortisation of intangible assets resulted from the acquisition of 49.9% Greek Mythology. Should these non-cash expenses be excluded, the Group was able to record a net profit of HK\$111.3 million for the year. Greek Mythology is an associated company of the Company. During the year ended 31 March 2007, Greek Mythology recorded EBITDA and net profit of HK\$322.2 million and HK\$241.3 million respectively.

DIVIDEND

The Directors do not recommend payment of a dividend for the year ended 31 March 2007 (2006: Nil).

BUSINESS REVIEW AND PROSPECTS

Gaming and Entertainment Business

The completion of the acquisition of 49.9% equity interest in Greek Mythology on 28 March 2006 embarked the group's full participation in Macau's gaming and entertainment sector, one of the world's fastest-growing gaming markets.

During the year, Greek Mythology achieved an EBITDA of HK\$322.2 million. Despite the figure was below the record of last year, the management considers that it has been well performed as the gaming market of Macau has been changing significantly following the openings of a number of new and international branded casinos.

Focusing on the new operating environment, the Group was actively identifying investment opportunities to broaden its revenue base and market share. One of the milestones was the successful expansion of its operation into the VIP gaming market through engagement in the high-rolling gaming business since March 2007.

Following the significant participation of the major international players of the gaming industry in Macau, the management considers that the VIP gaming market would be one of the major sectors for the future success. In this respect, the group would grasp every opportunity to enrich its VIP gaming business.

For diversification and be a full range operator in the entertainment business, the Group also commenced its operation in electronic slot machines and electronic gaming entertainment.

The management anticipates that the gaming business of the Group will be further expanded and be a major sector of the Group's operations in the coming years.

Manufacturing Business

The manufacturing business reported a 26.2% decrease in turnover (including both continuing and discontinued operations) to HK\$59.8 million (2006: HK\$81.0 million) after discontinuation of the low-margin consumer products business. The Group intends to focus its manufacturing resources only on the higher-margin LCD products business. During the year under review, in order to increase the financial flexibility of the Group, factory property was disposed for HK\$50.0 million, and a profit of approximately HK\$14.1 million was recorded accordingly. Subsequent to the year-end, the disposal of the consumer products company also recorded a profit of approximately HK\$13.0 million, which will be recorded in the next financial year ended 31 March 2008.

After the introduction of a number of cost saving measures and fading out of those lower-end lower-margin products, the management is pleased to see the turnaround of the manufacturing business, and the operations were able to see improving results. Our investment in new technology and expansion of sales and marketing teams have eventually help the Group obtain significant orders from several US and Japanese customers. The management is confident that the manufacturing operations will become profitable in the coming financial years.

LIQUIDITY AND FINANCIAL RESOURCES

In the reporting year, the Group continued to maintain a stable financial position. The Group had total assets and net assets of approximately HK\$2,647.8 million (2006: HK\$2,595.7 million) and HK\$1,760.0 million (2006: HK\$1,778.0 million) respectively as at 31 March 2007. Consolidated shareholders' equity as at the year end was approximately HK\$1,760.0 million (2006: HK\$1,778.0 million).

The gearing ratio as at 31 March 2007, calculated as a ratio of borrowings to shareholders' funds, was 3.1% (2006: 3.0%). If the promissory notes are included in the calculation, the gearing ratio would be 48.1% (2006: 44.6%).

The Group has sufficient financial resources to cover its operations. As at 31 March 2007, the Group had facilities up to HK\$26 million.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2007, the Group employed a total of approximately 270 employees in the PRC and Hong Kong. They were remunerated according to the nature of job and market condition. Other employee benefits available for eligible employees included period-end payment, staff canteen, retirement schemes, share option and medical insurance scheme.

FOREIGN EXCHANGE AND CURRENCY RISKS

Since most of the revenue generated from the sale of products and the payment for purchases of materials, components, equipment and salaries are either made in Hong Kong dollars, Renminbi, or Hong Kong dollars pegged currencies, no use of financial instruments for hedging purposes is considered necessary and the exposure to exchange rate fluctuations is minimal.

CONTINGENT LIABILITIES

As at 31 March 2007, the Group had no significant contingent liabilities.

REVIEW OF ANNUAL RESULTS

The annual results have been reviewed by the audit committee of the Company.

CORPORATE GOVERNANCE

The Company has adopted, applied and complied with the Code on Corporate Governance Practices (the “Code Provision”) as set out in Appendix 14 to the Listing Rules throughout the year ended 31 March 2007 with the exception of certain deviation as further explained below:

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

None of the existing independent non-executive Directors of the Company is appointed for a specific term. This constitutes a deviation from Code Provision A.4.1. However, all independent non-executive Directors are subject to retirement by rotation and re-election at the annual general meeting in accordance with the Bye-laws of the Company. The Company has also received the confirmation of independence from each independent non-executive Director and has grounds to believe that they are independent of the Company. As such, the Company considers that sufficient measures have been taken to ensure that the Company’s corporate governance practices are no less exacting than those in the Code Provision.

PUBLICATION OF INFORMATION ON STOCK EXCHANGE WEBSITE

The Company’s annual report will be dispatched to the shareholders of the Company and available for viewing on the website of Hong Kong Exchanges and Clearing Limited at www.hkex.com.hk under “Latest Listed Company Information” and on the website <http://a-max.etnet.com.hk> in due course.

On behalf of the Board
Cheung Nam Chung, Brian
Chairman

Hong Kong, 30 July 2007

As at the date of this notice, the Board of Directors of the Company comprises of Mr. Cheung Nam Chung, Brian, Mr. Wan Kam Shing, Claude, Mr. Lam Cheok Va, Francis, Mr. Chan Chi Yuen, Ms. Li Wing Sze, Mr. Chen Zhiquan and Mr. Lee Keung Shing being the Executive Directors, and Mr. Chan Chiu Hung, Mr. Lee Tsz Hong and Mr. Ng Wai Hung being the Independent Non-executive Directors.

* *For identification purposes only*