AMAX
Holdings Limited

Amax Holdings Limited

奧瑪仕控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 959)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

The board of directors (the "Board") of Amax Holdings Limited (the "Company") is pleased to announce the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2009. The unaudited interim results have been reviewed by the Audit Committee and independent auditor of the Company.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2009

		Six months ended 30 September	
		2009	2008
	Note	***HK$'000***	*HK$'000*
		Unaudited	Unaudited
Turnover	4	**92,057**	272,702
Cost of sales		**–**	–
Gross profit		**92,057**	272,702
Other revenue	5	**36,788**	427
Impairment loss for available-for-sale financial asset		**(1,294,978)**	–
Selling and distribution expenses		**(2,208)**	(491)
General and administrative expenses		**(17,818)**	(27,397)
(Loss)/profit from operations	6	**(1,186,159)**	245,241
Finance costs	8	**(24,222)**	(29,816)
Share of profit/(loss) of an associate	14		
Share of operating profit of an associate		**45,209**	11,924
Share of impairment loss and amortization of intangible asset of an associate		**(43,236)**	(38,718)
		1,973	(26,794)
(Loss)/profit before taxation		**(1,208,408)**	188,631
Income tax	9	**–**	–
(Loss)/profit for the period from continuing operations		**(1,208,408)**	188,631
Profit for the period from discontinued operation	10	**–**	30,325
(Loss)/profit for the period		**(1,208,408)**	218,956
Attributable to:			
Equity shareholders of the Company		**(1,208,408)**	218,995
Minority interests		**–**	(39)
(Loss)/profit for the period		**(1,208,408)**	218,956

	Note	Six months ended 30 September **2009** *HK$'000* **Unaudited**	2008 *HK$'000* Unaudited
(Loss)/earnings per share	13		
From continuing and discontinued operation			
– basic		**HK(35.18) cents**	HK8.24 cents
– diluted		**HK(35.10) cents**	HK8.24 cents
From continuing operations			
– basic		**HK(35.18) cents**	HK7.10 cents
– diluted		**HK(35.10) cents**	HK7.10 cents
From discontinued operation			
– basic		**N/A**	HK1.14 cents
– diluted		**N/A**	HK1.14 cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2009

		Six months ended 30 September	
		2009	2008
	Note	***HK$'000***	*HK$'000*
		Unaudited	Unaudited
(Loss)/profit for the period		**(1,208,408)**	218,956
Other comprehensive income for the period, after tax and reclassification adjustment:			
Available-for-sale financial asset: net movement in fair value reserve		**(195,268)**	(1,500,000)
Total comprehensive income for the period		**(1,403,676)**	(1,281,044)
Total comprehensive income attributed to:			
Equity shareholders of the Company		**(1,403,676)**	(1,281,005)
Minority interests		**–**	(39)
		(1,403,676)	(1,281,044)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2009

	Note	**30 September 2009** *HK$'000* **Unaudited**	31 March 2009 *HK$'000* Audited
Non-current assets			
Investment properties		**3,390**	3,390
Other property, plant and equipment		**3,510**	5,040
		6,900	8,430
Intangible assets		**19,016**	19,921
Interest in an associate	14	**889,795**	887,822
Other financial asset	15	**605,022**	2,095,268
		1,520,733	3,011,441
Current assets			
Trade and other receivables	16	**718,554**	634,973
Cash and cash equivalents		**62,316**	78,209
		780,870	713,182
Current liabilities			
Trade and other payables	17	**(129,598)**	(140,019)
Borrowings	18	**(5,000)**	(6,600)
		(134,598)	(146,619)
Net current assets		**646,272**	566,563
Total assets less current liabilities		**2,167,005**	3,578,004
Non-current liabilities			
Promissory notes	19	**(605,982)**	(906,612)
NET ASSETS		**1,561,023**	2,671,392
CAPITAL AND RESERVES			
Share capital	20	**38,060**	26,589
Reserves		**1,522,963**	2,644,803
Total equity attributable to equity shareholders of the Company		**1,561,023**	2,671,392
Minority interests		**–**	–
TOTAL EQUITY		**1,561,023**	2,671,392

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2009

1. BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 September 2009 comprises Amax Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"). This condensed consolidated interim financial information has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standards ("HKAS") 34, Interim financial reporting, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issue on 18 December 2009.

The condensed consolidated interim financial information has been prepared in accordance with the same accounting policies adopted in the annual financial statements of the Group for the year ended 31 March 2009, except for the accounting policy changes that are expected to be reflected in the annual financial statements for the year ending 31 March 2010. Details of these changes in accounting policies are set out in note 2.

The preparation of an interim financial information in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This condensed consolidated interim financial information contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the annual financial statements of the Group for the year ended 31 March 2009. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRSs").

The condensed consolidated interim financial information is unaudited, but has been reviewed by CCIF CPA Limited ("CCIF") in accordance with Hong Kong Standard on Review Engagement 2410, Review of interim financial information performed by the independent auditor of the entity, issued by the HKICPA. CCIF's independent review report to the Board of Directors is included in interim report. In addition, this condensed consolidated interim financial information has been reviewed by the Company's Audit Committee.

The financial information relating to the financial year ended 31 March 2009 that is included in the interim financial report as being previously reported information does not constitute the Company's statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 March 2009 are available from the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their dated 17 July 2009 and they are available from the Company's registered office.

2. CHANGES IN ACCOUNTING POLICIES

(a) The HKICPA has issued one new HKFRSs, a number of amendments to HKFRSs and new Interpretations that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

- HKFRS 8, Operating segments

- HKAS 1 (revised 2007), Presentation of financial statements

- Improvements to HKFRSs (2008)

- Amendments to HKAS 27, Consolidated and separate financial statements – cost of an investment in a subsidiary, jointly controlled entity or associate

- Amendments to HKFRS 7, Financial instruments: Disclosures – improving disclosures about financial instruments

- HKAS 23 (revised 2007), Borrowing costs

- Amendments to HKFRS 2, Share-based payment – vesting conditions and cancellations

The amendments to HKAS 23 and HKFRS 2 and Improvements to HKFRSs (2008) have had no material impact on the Group's financial statements as the amendments and interpretations were consistent with policies already adopted by the Group. In addition, the amendments to HKFRS 7 do not contain any additional disclosure requirements specifically applicable to the unaudited interim financial report. The impact of the remainder of these developments on the unaudited interim financial report is as follows:

- HKFRS 8 requires segment disclosure to be based on the way that the Group's chief operating decision maker regards and manages the Group, with the amounts reported for each reportable segment being the measures reported to the Group's chief operating maker for the purposes of assessing segment performance and making decisions about operating matters. This contrasts with the presentation of segment information in prior years which has been based on a disaggregation of the Group's financial statements into segments based on business and geographical segments. The adoption of HKFRS 8 has resulted in the presentation of segment information in a manner that is more consistent with internal reporting provided to the group's most senior executive management, and has resulted in additional reportable segments being identified and presented (see note 3). As this is the first period in which the Group has presented segment information in accordance with HKFRS 8, additional explanation has been included in the interim financial report which explains the basis of preparation of the information. Corresponding amounts have also been provided on a basis consistent with the revised segment information.

- As a result of the adoption of HKAS 1 (revised 2007), details of changes in equity during the period arising from transactions with equity shareholders in their capacity as such have been presented separately from all other income and expenses in a revised consolidated statement of changes in equity. All other items of income and expense are presented in the consolidated income statement, if they are recognised as part of profit or loss for the period, or otherwise in a new primary statement, the consolidated statement of comprehensive income. The new format for the consolidated statement of comprehensive income and the consolidated statement of changes in equity has been adopted in this interim financial report and corresponding amounts have been restated to conform to the new presentation. This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any period presented.

- The amendments to HKAS 27 have removed the requirement that dividends out of pre-acquisition profits should be recognised as a reduction in the carrying amount of the investment in the investee, rather than as income. As a result, as from 1 January 2009 all dividends receivable from subsidiaries, associates and jointly controlled entities, whether out of pre- or post-acquisition profits, will be recognized in the Company's consolidated statement of comprehensive income and the carrying amount of the investment in the investee will not be reduced unless that carrying amount is assessed to be impaired as a result of the investee declaring the dividend. In such cases, in addition to recognizing dividend income in consolidated statement of comprehensive income, the Company would recognise an impairment loss. In accordance with the transitional provisions in the amendment, this new policy will be applied prospectively to any dividends receivable in the current or future periods and previous periods have not been restated.

(b) The Group has not early adopted the new and revised HKFRSs that have been issued but are not yet effective. The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, it is unlikely to have a significant impact on the Group's results of operations and financial position.

3. SEGMENT REPORTING

The Group manages its businesses by divisions. On first-time adoption of HKFRS 8, operating segments and in a manner consistent with the way in which information is reported internally to the chief operating decision maker for the purposes of resource allocation and performance assessment, the Group has identified the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

Continuing operations

Investments in gaming and entertainment related business segment:

– investments in companies involving in the promotion, client development, co-ordination, operation of gaming related business and provision of technical consultancy services.

Discontinued operation:

LCD products segment:

– the manufacturing and sales of LCD and LCD modules.

(a) Segment results, assets and liabilities

In accordance with HKFRS 8, segment information disclosed in the interim financial report has been prepared in a manner consistent with the information used by the chief operating decision maker for the purposes of assessing segment performance and allocating resources between segments. In this regard, the chief operating decision maker monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include tangible, intangible and current assets with the exception of other corporate assets. Segment liabilities include trade payables and accruals attributable to the individual segments and borrowings managed directly by the segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The accounting policies of the reportable segments are the same as the Group's accounting policies. To arrive at reportable segment (loss)/profit, the Group's earnings are further adjusted for items not specifically attributed to individual segments, such as directors' emoluments and auditors' remuneration and other corporate administration costs.

In addition to receiving segment information concerning reportable segment (loss)/profit, the chief operating decision maker is provided with segment information concerning revenue, interest income and expense from cash balances and borrowings managed directly by the segments, depreciation, amortisation and impairment losses and additions to non-current segment assets used by the segments in their operations.

An analysis of the Group's reportable segment (loss)/profit before taxation for the period by operating segment is as follows:

	Continuing operations	Discontinued operation	
	Investments in gaming and entertainment related business	**LCD products**	**Total**
	Unaudited	**Unaudited**	**Unaudited**
	HK$'000	***HK$'000***	***HK$'000***
For the six months ended 30 September 2009			
Revenue			
Revenue from external customers	**92,057**	**–**	**92,057**
Reportable segment loss before taxation (including share of profit of an associate)	**(1,192,606)**	**–**	**(1,192,606)**
At 30 September 2009			
Reportable segment assets	**2,200,178**	**–**	**2,200,178**
Reportable segment liabilities	**732,567**	**–**	**732,567**

	Continuing operations	Discontinued operation	
	Investments in gaming and entertainment related business	LCD products	Total
	Unaudited	Unaudited	Unaudited
	HK$'000	*HK$'000*	*HK$'000*
For the six months ended 30 September 2008			
Revenue			
Revenue from external customers	272,702	25,170	297,872
Reportable segment profit/(loss) before taxation (including share of loss of an associate)	212,393	(3,972)	208,421
At 31 March 2009			
Reportable segment assets	3,676,458	–	3,676,458
Reportable segment liabilities	1,043,551	–	1,043,551

(b) Reconciliations of reportable segment profit or loss, assets and liabilities

	Six months ended 30 September	
	2009	2008
	HK$'000	*HK$'000*
	Unaudited	Unaudited
(LOSS)/PROFIT		
Reportable segment (loss)/profit derived from Group's external customers	**(1,192,606)**	208,421
Unallocated head office and corporate expenses	**(15,802)**	(23,762)
Gain on disposal of the discontinued operation	**–**	34,297
(Loss)/profit before taxation from continuing operations and profit from discontinued operation	**(1,208,408)**	218,956

	At 30 September 2009 HK$'000 Unaudited	At 31 March 2009 HK$'000 Unaudited
ASSETS		
Reportable segment assets	**2,200,178**	3,676,458
Unallocated head office and corporate assets	**101,425**	48,165
Total assets	**2,301,603**	3,724,623

	At 30 September 2009 HK$'000 Unaudited	At 31 March 2009 HK$'000 Unaudited
LIABILITIES		
Reportable segment liabilities	**732,567**	1,043,551
Unallocated head office and corporate liabilities	**8,013**	9,680
Total liabilities	**740,580**	1,053,231

4. TURNOVER

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

	Six months ended 30 September 2009 HK$'000 Unaudited	Six months ended 30 September 2008 HK$'000 Unaudited
Continuing operations:		
Revenue from investments in gaming and entertainment related business		
– Investment in Junket related operation	**89,972**	269,161
– Investment in VIP gaming related operation	**1,673**	2,266
– Investment in LIVE baccarat system operation	**–**	571
– Investment in slot machine operation	**412**	704
	92,057	272,702
Discontinued operation:		
Sales of LCD products	**–**	25,170
	92,057	297,872

5. OTHER REVENUE

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

	Six months ended 30 September	
	2009	2008
	HK$'000	*HK$'000*
	Unaudited	Unaudited
Continuing operations:		
Interest income from banks	**–**	258
Interest income from loan to promissory note holders	**1,423**	–
Gain on fair value upon shares issued against the promissory notes	**35,251**	–
Rental income	**108**	90
Sundry income	**6**	79
	36,788	427
Discontinued operation:		
Interest income from banks	**–**	1
Sundry income	**–**	48
	–	49
	36,788	476

6. (LOSS)/PROFIT FROM OPERATIONS

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

	Six months ended 30 September	
	2009	2008
	HK$'000	*HK'000*
	Unaudited	Unaudited
(a) Staff costs		
Continuing operations:		
Equity-settled share-based payment expenses	**2,670**	2,498
Salaries, wages and other benefits	**6,749**	8,225
Contributions to defined contribution retirement plans	**145**	307
	9,564	11,030
Discontinued operation:		
Salaries, wages and other benefits	**–**	4,509
Contributions to defined contribution retirement plans	**–**	21
	–	4,530
	9,564	15,560

	Six months ended 30 September	
	2009	2008
	HK$'000	*HK'000*
	Unaudited	Unaudited
(b) Other items:		
Continuing operations:		
Depreciation of property, plant and equipment	**851**	952
Amortisation of intangible assets	**905**	1,269
Loss on disposal of fixed assets	**729**	–
Auditors' remuneration		
– audit services	**–**	100
– other services	**190**	290
Operation lease charges in respect of premises:		
– minimum lease payments	**1,658**	1,515
Gross rental income from investment properties less direct outgoings of HK$35,000 (2008: HK$35,000)	**(73)**	(55)
Discontinued operation:		
Depreciation of property, plant and equipment	**–**	511
Net foreign exchange loss	**–**	556
Operating lease charges in respect of premises:		
– minimum lease payments	**–**	934
Cost of inventories	**–**	20,594

7. DIRECTORS' EMOLUMENTS

The summary of directors' emoluments is as follows:

For the six months ended 30 September 2009

	Directors' fee	**Salaries, allowances and benefits in kind**	**Retirement scheme contributions**	**Share-based payments**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
	Unaudited	**Unaudited**	**Unaudited**	**Unaudited**	**Unaudited**
Executive directors	**–**	**1,765**	**73**	**1,234**	**3,072**
Non-executive director	**60**	**–**	**–**	**147**	**207**
Independent non-executive directors	**323**	**–**	**–**	**440**	**763**
	383	**1,765**	**73**	**1,821**	**4,042**

For the six months ended 30 September 2008

	Directors' fee *HK$'000* Unaudited	Salaries, allowances and benefits in kind *HK$'000* Unaudited	Retirement scheme contributions *HK$'000* Unaudited	Share-based payments *HK$'000* Unaudited	Total *HK$'000* Unaudited
Executive directors	–	4,420	251	1,249	5,920
Non-executive director	16	–	–	–	16
Independent non-executive directors	171	–	–	–	171
	187	4,420	251	1,249	6,107

8. FINANCE COSTS

	Six months ended 30 September	
	2009	2008
	HK$'000	*HK$'000*
	Unaudited	Unaudited
Continuing operations:		
Interest on other borrowings	**20**	163
Interest on promissory notes	**24,202**	29,653
	24,222	29,816
Discontinued operation:		
Interest on borrowings wholly repayable within five years	**–**	1,124
	24,222	30,940

9. INCOME TAX

(a) Continuing operations

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 six months ended 30 September 2009 and 2008.

(b) Discontinued operation

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 six months ended 30 September 2008.

(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$90 million (31 March 2009: HK$81 million) as it is not probable that future taxable profits against which tax losses can be utilized will be available in the relevant tax jurisdiction and entity. The tax losses do not expire under current tax legislation.

10. DISCONTINUED OPERATION

The Group's manufacturing and trading of LCD products was discontinued at 29 September 2008 following the disposal of the entire interests on Profit Goal Holdings Limited and its subsidiaries to an independent third party, resulting in a net gain on disposal of approximately HK$34,297,000.

(a) The gain for the period from the discontinued operation analysed as follows:

	2008
	HK$'000
	Unaudited
Loss of the discontinued operation for the period	(3,972)
Gain on disposal of the discontinued operation	34,297
	30,325

(b) The results of the discontinued operation for the six month ended 30 September 2008 was as follows:

		2008
	Note	*HK$'000*
		Unaudited
Turnover		25,170
Cost of sales	4	(20,315)
Gross Profit		4,855
Other revenue	5	49
Selling and distribution expenses		(2,832)
General and administrative expenses		(4,920)
Loss from operation		(2,848)
Finance costs	8	(1,124)
Gain on disposal of subsidiaries	11	34,297
Profit before taxation		30,325
Income tax		–
Profit for the period		30,325

(c) The net cash flows contributed by the discontinued operation up to the date of completion of disposal, which have been included in the condensed consolidated statement of cash flows for the six months ended 30 September 2008 was as follows:

	2008
	HK$'000
	Unaudited
Net cash used in operating activities	(2,379)
Net cash used in investing activities	(196)
Net cash generated from financing activities	1,459
Net cash used in discontinued operation	(1,116)

11. GAIN ON DISPOSAL OF SUBSIDIARIES

Net liabilities of subsidiaries disposed of are as follows:

	2008
	HK$'000
	Unaudited
Property, plant and equipment	1,399
Inventories	2,668
Trade & other receivables	5,991
Cash and cash equivalents	1,543
Trade and other payables	(14,401)
Borrowings	(31,487)
Net liabilities disposal of	(34,287)
Waiver of amount due from the Company	(10)
Gain on disposal	(34,297)
Consideration received (HK$1)	–
Less: Cash disposed of	(1,543)
Cash and cash equivalents arising on disposal	(1,543)

12. DIVIDENDS

	Six months ended 30 September 2009		Six months ended 30 September 2008	
	HK cents per share	***HK$'000***	*HK cents per share*	*HK$'000*
	Unaudited	**Unaudited**	Unaudited	Unaudited
Interim dividend proposed	**–**	**–**	1.5	39,883

At the Board meeting of the Company on 19 December 2008, the Directors proposed the payment of an interim dividend of HK1.5 cents per share, totalling HK$39,883,000. This interim dividend was paid after the interim period ended 30 September 2008.

13. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

For continuing and discontinued operation

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

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

	Six months ended 30 September	
	2009	2008
	HK$'000	*HK$'000*
	Unaudited	Unaudited
Continuing operations	**(1,208,408)**	188,670
Discontinued operation	**–**	30,325
	(1,208,408)	218,995

ii) Weighted average number of ordinary shares

	2009	2008
	'000	*'000*
	Unaudited	Unaudited
Issued ordinary shares at 1 April	**2,658,889**	26,588,897
Effect of share consolidation	**–**	(23,930,008)
Effect of shares issued against Promissory Notes	**771,475**	–
Shares issued under employee share options schemes	**4,132**	–
Weighted average number of ordinary shares at 30 September	**3,434,496**	2,658,889

For continuing operations

The calculation of the basic (loss)/earnings per share is based on the unaudited loss attributable to ordinary equity shareholders of the Company from continuing operations of HK$1,208,408,000 (2008: profit of HK$188,670,000) and the weighted average number of ordinary shares of 3,434,496,000 shares (2008: 2,658,889,000 shares) in issue during the period.

For discontinued operation

For the period ended 30 September 2009, the diluted loss per share for discontinued operation is not presented as the Company does not have any discontinued operation.

For the period ended 30 September 2008, the calculation of the basic earnings per share is based on the Group's unaudited profit attributable to shareholders from discontinued operation of HK$30,325,000 and the weighted average number of ordinary shares 2,658,889,000 shares in issue during the period.

(b) Diluted (loss)/earnings per share

For continuing and discontinued operation

The calculation of diluted (loss)/earnings per share is based on the unaudited loss attributable to ordinary equity shareholders of the Company of HK$1,208,408,000 (2008: profit of HK$218,995,000) and the weighted average number of ordinary shares of 3,442,395,000 shares (2008: 2,658,889,000 shares) in issue during the period, calculated as follows:

Weighted average number of ordinary shares (diluted)

	2009	2008
	'000	*'000*
	Unaudited	Unaudited
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	**3,434,496**	2,658,889
Effect of deemed issue of shares under Company's share option scheme for nil consideration	**7,899**	–
Weighted average number of ordinary shares (diluted) for the purpose of diluted (loss)/earnings per share	**3,442,395**	2,658,889

For continuing operations

The calculation of basic (loss)/earnings per share is based on the unaudited loss attributable to ordinary equity shareholders of the Company from continuing operation of HK$1,208,408,000 (2008: profit of HK$188,670,000) and the weighted average number of ordinary shares of 3,442,395,000 shares (2008: 2,658,889,000 shares) in issue during the period.

For discontinued operation

For the period ended 30 September 2009, the diluted loss per share for discontinued operation is not presented as the Company does not have any discontinued operation.

For the period ended 30 September 2008, the calculation of basic earnings per share is based on the unaudited profit attributable to ordinary equity shareholders of the Company from discontinued operation of HK$30,325,000 and the weighted average number of ordinary shares of 2,658,889,000 shares in issue during the period.

14. INTEREST IN AN ASSOCIATE

(a) The following list contains only the particulars of the associate, an unlisted corporate entity, which principally affected the results or assets of the Group:

Name of associate	Form of business structure	Place of incorporation and operation	Particulars of issued and paid up capital	Group's effective interest	Held by the Company	Principal activity
Greek Mythology (Macau) Entertainment Group Corporation Limited ("Greek Mythology")	Incorporated	Macau	2,412 ordinary shares of MOP1,000 each	49.9%	49.9%	Gaming and entertainment related business

(b) Summary financial information on the associate:

	Six months ended 30 September 2009				
	Revenue	**Operating profit**	**Amortisation of intangible assets**	**Impairment of intangible asset**	**Net profit**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
	Unaudited	**Unaudited**	**Unaudited**	**Unaudited**	**Unaudited**
100 per cent	152,820	90,600	(62,279)	(24,367)	3,954
Group's effective interest	76,257	45,209	(31,077)	(12,159)	1,973

	Six months ended 30 September 2008				
	Revenue	Operating profit	Amortisation of intangible assets	Impairment of intangible asset	Net loss
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
100 per cent	78,011	23,896	(77,592)	–	(53,696)
Group's effective interest	38,928	11,924	(38,718)	–	(26,794)

15. OTHER FINANCIAL ASSET

	HK$'000
Available-for sale financial asset	
At 1 April 2009 (audited)	2,095,268
Less: Impairment loss	
through income statement	(1,294,978)
through statement of comprehensive income	(195,268)
	(1,490,246)
At 30 September 2009 (unaudited)	605,022

In view of the implementation of an 1.25% cap on junket commissions by the Macau Government with effect from 1 December 2009, the junket related business of AMA is adversely affected. The management of the Group reviews internal and external sources of information in respect of the fair value of available-for-sale financial asset to identify indications that the available-for-sale financial assets may be impaired.

The fair value of available-for-sale financial asset as at 30 September 2009 was measured using the value-in-use calculations by an independent professional valuer, Grant Sherman.

The valuation is based on cash flow projections derived from the most recent financial budgets approved by the management for a one-year period and extrapolated cash flows beyond a one-year period based on the growth rate of 3% plus a terminal value. The rate used to discount the forecast cash flow is 19%.

Based on the assessment, the directors of the Company are the opinion that the impairment loss of HK$1,490,246,000 should be made for the period ended 30 September 2009.

16. TRADE AND OTHER RECEIVABLES

The ageing analysis of trade and other receivable at the respective balance sheet dated is as follows:

	30 September 2009	31 March 2009
	HK$'000	*HK$'000*
	Unaudited	Audited
Trade receivables		
Current	**619,459**	603,369
Loans to promissory notes holders	**55,000**	–
Deposit for a project	**29,800**	–
Other receivables	**14,295**	31,604
	718,554	634,973

17. TRADE AND OTHER PAYABLES

The ageing analysis of trade payables at the respective balance sheet dated is as follows:

	30 September 2009	31 March 2009
	HK$'000	*HK$'000*
	Unaudited	Audited
Trade payables		
After 3 months	**1,653**	1,653
Other payables	**127,945**	138,366
	129,598	140,019

18. BORROWINGS

	30 September 2009	31 March 2009
	HK$'000	*HK$'000*
	Unaudited	Audited
Other loans from independent third parties, unsecured		
– bearing interest at 6.5% per annum and repayable on demand	**5,000**	5,000
– non-interest – bearing and repayable on demand	**–**	1,600
Current portion	**5,000**	6,600

19. PROMISSORY NOTES

(a) In 2006, the Company issued promissory notes with a face value of approximately HK$1,454,722,000 to shareholders of the associate as part of the consideration for the acquisition of the associate.

The promissory notes are unsecured, non-interest bearing and repayable on 27 March 2016, being the tenth anniversary 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 and is deducted from the carrying value of the promissory notes and charged to income statement.

	HK$'000
At 1 April 2009 (audited)	906,612
Less: offset by issuing shares	(300,630)
At 30 September 2009 (unaudited)	605,982

20. SHARE CAPITAL

	Number of shares *'000*	**Amount** *HK$'000*
Ordinary shares, issued and fully paid		
As 1 April 2008 (audited)	26,588,897	26,589
Consolidation of every 10 shares of HK$0.001 each into 1 consolidated share of HK$0.01 each	(23,930,008)	–
At 31 March 2009 (audited) and 1 April 2009	2,658,889	26,589
Shares issued against the promissory notes	1,140,000	11,400
Shares issued under employee share options schemes	7,100	71
As 30 September 2009 (unaudited)	3,805,989	38,060

21. COMMITMENTS

As at 30 September 2009, the Group had the following commitments:

(a) Operating lease commitments

At 30 September 2009, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	30 September 2009	31 March 2009
	HK$'000	*HK$'000*
	Unaudited	Audited
Within one year	**3,026**	3,258
In the second to fifth years	**1,261**	2,705
	4,287	5,963

(b) Save as disclosed above, the Group and the Company did not have any other significant capital or financial commitments as at 30 September 2009 and 31 March 2009.

22. CONTINGENT LIABILITIES

The Group did not have material contingent liabilities as at 30 September 2009 and 31 March 2009.

23. COMPARATIVE FIGURES

As a result of the application of HKAS 1 (revised 2007), Presentation of financial statements, and HKFRS 8, Operating segments, certain comparative figures have been adjusted to conform to current period's presentation and to provide comparative amounts in respect of items disclosed for the first time in 2009. Further details of these developments are disclosed in note 2.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

During the six months ended September 2009, the Group operated solely in gaming and entertainment business in Macau. Its core investments were the 49.9% equity investment in Greek Mythology Casino and the loan-for-profits contractual agreement with AMA International Limited ("AMA").

The Group made a total turnover of HK$92 million for the six months ended 30 September 2009, consisting of revenue from junket related operation of HK$90 million and HK$2 million from the Group's VIP gaming related operation and other gaming related business. The amount is 69% less than the total turnover of HK$300 million in the same period last year. The decrease is mainly attributed to the challenging business environment; it is also notable that the revenue is coming off a market high from the same period last year.

Net loss for the six months ended 30 September 2009 amounted to HK$1.20 billion as compared to a profit of HK$219 million for the same period last year. The loss was mainly attributable to the impairment loss for available-for-sale financial asset as calculated base on newly enacted laws & regulations. The Macau Government enacted new laws & regulations capping junket commission rate at 1.25%, effective as of 1 December 2009. These new laws & regulations has directly affected our business as the Group is a recipient of junket commissions. As a result of the economic downturn and fierce competition in the Casino Business in Macau, the Group also incurred an impairment loss on an intangible asset representing the 49.9% interest in the operating right of Greek Mythology Casino in Macau.

The impairment loss on available-for-sale financial asset and intangible asset that are expected to be made are non-cash items, hence have not had any impact on the operating cash flow of the Group.

An analysis of the Group's consolidated results for the six months period ended 30 September 2009 and 2008 are as follow:

	Six months ended 30 September	
	2009	2008
	HK$'000	*HK$'000*
	Unaudited	Unaudited
Turnover:		
Junket related operation	**89,972**	269,161
VIP Gaming related operation/Related business	**2,085**	3,541
	92,057	272,702
Other revenue	**36,788**	427
Impairment loss for available-for-sale financial asset	**(1,294,978)**	–
Selling and distribution & other administrative expenses	**(20,026)**	(27,888)
(Loss)/profit from operations	**(1,186,159)**	245,241
Finance costs	**(24,222)**	(29,816)
Share of profit/(loss) of an associate	**1,973**	(26,794)
(Loss)/profit for the period from continuing operations	**(1,208,408)**	188,631
Profit for the period from discontinued operation	**–**	30,325
(Loss)/profit for the period	**(1,208,408)**	218,956

BUSINESS REVIEW AND PROSPECTS

Gaming and Entertainment Business

Junket Related Operation

In 2007, the Group entered into a loan-for-profit agreement with Ace High Group Limited ("Ace High"), pursuant to which the Group provided a loan of HK$1.9 billion to Ace High which in turn on-lent the same amount to AMA. AMA aggregates business of different junket collaborators and deals directly with Altira Macau Casino (formerly known as Crown Macau Casino) to receive commissions commencing on 15 December 2007.

This line of business has contributed greatly to the Group's success in the past. However, with changes in Macau laws governing the gaming industry, namely the junket commission cap of 1.25%, the Group expects negative impact on the future revenue of the business. Heeding the development, the Group made the prudent decision to record a significant amount of impairment loss on the available-for-sale financial asset. Marred by this change in the business environment, our junket related operation contributed HK$90 million to the Group for the six months ended 30 September 2009, compared to HK$269 million in the same period last year, down by 66%.

Although the junket related operation is affected by external factors such as regulatory changes, fierce market competition and also the tough macroeconomic climate, we will continue to work closely with our casino and junket partners to maintain mutually beneficial relationships.

VIP Gaming Related Operation and Other Gaming Related Business

The Group, through certain subsidiaries, is responsible for (i) promotion, sales and advertising, client development, coordination and operation of the high-roller gaming area; and (ii) operation of electronic slot machines of the Greek Mythology Casino.

During the six months under review, net contribution from the business was HK$2 million, against HK$3 million in the same period last year.

Greek Mythology Casino

The Group manages the Greek Mythology Casino in Macau via its 49.9% ownership of Greek Mythology. The Greek Mythology Casino has approximately 100 mass market tables, 16 VIP tables and 90 slot machines. Greek Mythology is accounted for as an associated company of the Group.

The Group's share of the profit from Greek Mythology Casino for the six months ended 30 September 2009 amounted to HK$1.97 million as compared to a loss of HK$26.79 million in the same period last year.

The operating results of Greek Mythology Casino continued to be impacted by macroeconomic factors, public policy, and other circumstances such as the relatively less favorable location and small size of operation when compared with giant theme-based casinos. Nevertheless, the Greek Mythology Casino will continue to focus on serving the mass gaming market. The management will continue to streamline operations of the Group with the aim of boosting shareholder value.

OUTLOOK

The monthly rolling chip volume generated by AMA averaged at low-HK$20 billion in recent months. This reflects a recovery from early 2009, when rolling chip volume was down at HK$19 billion.

The Group remains committed to the business partnership with the Altira Macau Casino. However, changes in the regulatory environment, specifically the commission cap, have harmed the profitability of our junket related operation. This commanded the management to make a decision on the impairment loss on the available-for-sale financial asset of the junket business with a view to fully reflect its future revenue of the business in the aforesaid.

The financial market and economic climate have certainly been turbulent this year. In the first six months of the fiscal year, we saw the gaming market slid to rock bottom at one point, and in a short time turned around completely as if the financial crisis never happened. With sustained improvement in market conditions, the Group believes it will be able to better execute its business and deliver results in the remaining six months of the year and beyond.

Furthermore, hoping to diversify our holdings hence bolster stability of the Group, we are always looking for investment opportunities. The Group is ready to step up efforts to explore different means and avenues for sustaining and improving its performance albeit the dramatic change in the operational circumstances of the junket related operation.

INTERIM DIVIDENDS

The Directors do not recommend any interim dividend for the six months ended 30 September 2009 (2008: HK1.5 cents).

LIQUIDITY AND FINANCIAL RESOURCES

The Group finances its business operations and investments with internal resources, cash revenues generated from operating activities and equity fund raising activities.

As at 30 September 2009, total assets of the Group were HK$2,302 million (31 March 2009: HK$3,725 million), comprising non-current assets of HK$1,521 million (31 March 2009: HK$3,011 million) and current assets of HK$781 million (31 March 2009: 713 million) which were financed by shareholders' funds of HK$1,561 million (31 March 2009: HK$2,671 million), minority interests of HK$Nil (31 March 2009: HK$Nil), current liabilities of HK$135 million (31 March 2009: HK$147 million) and non-current liabilities of HK$606 million (31 March 2009: HK$907 million).

The Group's current ratio, expressed as current assets over current liabilities was maintained at a high comfortable level of 5.80 times (31 March 2009: 4.86 times).

The gearing ratio calculated as a ratio of total borrowings to shareholders' funds, was maintained at a low level of 39.14% (31 March 2009: 34.18%).

SHARE CAPITAL STRUCTURE

There was no change in the share capital structure of the Company during the period ended 30 September 2009.

In May 2009, the Company allotted and issued 1,000,000,000 new shares of an aggregate nominal value of HK$10 million at a subscripted price of HK$0.4 per Share to Mr. Ng Man Sun ("Mr. Ng") pursuant to the subscription agreement was entered the Company and Mr. Ng on 20 March 2009 and approved by the shareholders of the Company on the Special General Meeting (the "SGM") held on 11 May 2009.

In July 2009, the Company allotted and issued 140,000,000 new shares each in cash at a subscription price of HK$0.82 per subscription shares to the Subscriber, who is an independent third party to the Company pursuant to the subscription agreement and the supplemental agreement entered between the Company and the subscriber on 15 June 2009 and 17 June 2009 respectively.

For the period ended 30 September 2009, the Company issued 7,100,000 shares with par value of HK$0.1 each, including 2,600,000 shares at an exercise price of HK$0.1332 per share and 4,500,000 shares at an exercise price of HK$0.158 per shares upon the exercise of the granted options during the period under review.

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2009, the Group employed a total of approximately 18 (2008: 20) employees in Hong Kong and Macau. The Group is aware of the importance of human resources and always endeavors to retain competent and talented staff with competitive remuneration packages within the general framework of the Group's salary and bonus system, which is determined according to their duties, work experience, performance and the prevailing market practices. The Group has also participated in an approved Mandatory Provident Fund ("MPF") scheme or similar scheme for eligible employees and provides them with a medical scheme. Employees are also rewarded by the Share Option Scheme based on the performance of the Group and individual employees.

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

There was no purchase, redemption or sale by the Company nor any of its subsidiaries of the Company's listed securities during the period ended 30 September 2009.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

Throughout the underlying period, the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") had been taken as the Company's code of conduct regarding Directors' securities trading. All Directors have confirmed, following specific enquiry by the Company, that they fully complied with the Model Code throughout the underlying period.

CORPORATE GOVERNANCE

The Company had 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 period ended 30 September 2009 with the exception of certain deviation as further explained below:

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

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

REVIEW OF RESULT

The Group's unaudited condensed consolidated results for the six months ended 30 September 2009 have been reviewed by the auditors and the Audit Committee of the Company.

For and on behalf of the Board
Amax Holdings Limited
Cheung Nam Chung
Chairman

Hong Kong, 18 December 2009

As at the date of this announcement, the Board of Directors comprises Mr. Cheung Nam Chung, Ms. Li Wing Sze, Mr. Li Kin Ho and Mr. Victor Ng being the executive Directors, Mr. Leung Kin Cheong, Laurent and Mr. Lau Dicky being the non-executive Directors and Attorney Lorna Patajo Kapunan, Mr. Chan Chiu Hung, Alex, Mr. Cheng Kai Tai, Allen, Mr. Fang Ang Zhen and Prof. Zeng Zhong Lu being the independent non-executive Directors.