

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

# AMAX

## Holdings Limited

**Amax Holdings Limited**

**奧瑪仕控股有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 959)**

### **CLARIFICATION ANNOUNCEMENT**

Reference is made to the announcement (the “**Announcement**”) made by Amax Holdings Limited (the “**Company**”) dated 30 July 2010 in relation to the annual results of the Company for the ended 31 March 2010. The Company would like to clarify certain typographical errors made in the Announcement. Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement unless the context herein otherwise requires.

#### **CLARIFICATION**

##### **Significant Events and Development**

The second paragraph of the section headed “SIGNIFICANT EVENTS AND DEVELOPMENT” in the Announcement should be replaced with the following paragraph:

“Our Macau Business partner, AMA was not profitable for the year. This was in part due to AMA’s collaborators circumvented the original cooperation model and directly entered into separate agreements with the Gaming Operator. Furthermore, as the AMA’s collaborators cease to cooperate with AMA, some refused to schedule the repayment time and have not yet settle the debts. Therefore the impairment for dubious debt overshadowed the HK\$2 Billion revenue received by AMA during the financial year.”

## **Outlook**

The section headed “OUTLOOK” in the Announcement should be replaced with the following:

“Outlook the Group is undergoing internal restructuring prompted by the sudden collapse in the junket related business investment. Despite these setbacks, the Company management remains determined to seek new business opportunities in the region, both inside and outside the gaming industry to redefine the Group.

Since the underperformance of AMA, it is the Company’s plan to utilize our expertise on the behavior of high-end customers by connecting with our client base. We are also seeking appropriate opportunities to cooperate with casinos in the greater Asia-Pacific region. We foresee that the company will soon to embark on a new direction, delivering value to our shareholders.”

These errors were typographical errors and caused by misplacement of certain versions of the draft announcement. In particular, the Board would like to clarify that the word ‘termination’ contained in the replaced version of the Announcement only refers to the relationship between AMA and its collaborators, but not the relationship between the Group and AMA.

Furthermore, the Group would like to clarify the financial impact of the current contract agreement with AMA. According to the contract and agreement in effect to date, despite the fact that the loan to AMA has been called, the Group is still entitled to AMA’s future profits, if any, without having to share the burden of AMA’s future losses.

## **Business Review and Prospects**

The paragraph headed “Greek Mythology Casino” in the section headed “BUSINESS REVIEW AND PROSPECTS” in the Announcement should be replaced with the following paragraph:

“Although AMA has experienced a loss making year, its business is still in operation in a smaller scale. The Group owns 49.9% of equity stake in Greek Mythology Casino, which has approximately 105 mass market tables. Greek Mythology Casino is accounted for as an associated company of the Group. The Group also has investments in the businesses of promotion, sales and advertising, coordination and operation of high rolling gaming area, and operation of electronic slot machines in Greek Mythology Casino.

**Note 19 to the audited consolidated results of the Group for the year ended 31 March 2010 in the Announcement should be replaced with the following:**

**“19.EXTRACT FROM INDEPENDENT AUDITOR’S REPORT**

The following paragraphs extracted from the independent auditor’s report on the Group’s financial statements for the year ended 31 March 2010:

**BASIS FOR DISCLAIMER OF OPINION**

*Scope limitation — Available-for-sale financial asset*

Included in the consolidated statement of financial position as at 31 March 2010 was an available-for-sale financial asset carried at an amount of approximately HK\$121,860,000 (2009: HK\$2,095,268,000) held by Ace High Group Limited, a subsidiary of the Company. As detailed in note 20(b) to the financial statements, subsequent to the implementation of a 1.25% cap on junket commissions by the Macau government with effect from 1 December 2009, material changes to the business cooperation practices occurred. As a result, AMA failed to derive further income from a majority of its collaborators and to recover the credit granted to its collaborators. The financial position of AMA was adversely affected and hence the Company considered the recoverability of an amount of approximately HK\$1,973,408,000 is uncertain. Impairment losses were made by reference to a valuation report prepared by an independent professional valuer, of which approximately HK\$1,778,140,000 was charged to the consolidated income statement and approximately HK\$195,268,000 was charged to the consolidated statement of comprehensive income for the year ended 31 March 2010. The valuation was made based on value-in-use calculations by reference to the cash flow projections prepared by the directors of the Company. The cash flow projections were made by the directors of the Company on the assumptions that (i) cash from AMA’s debts will be received in accordance with the Repayment Schedules and Repayment Agreements entered into between AMA and its collaborators, (ii) nil amount will be received from those collaborators with which no Repayment Schedules have been agreed on and no Repayment Agreements have been entered into, and (iii) AMA will repay all amounts collected from its collaborators to the Group before settling its other liabilities notwithstanding a creditor has taken legal action against AMA for the recovery of debts due by AMA.

In the opinion of the directors of the Company, due to the absence of available information and supporting documents from AMA and its collaborators, there is inadequate information for assessing the fairness and appropriateness of the assumptions used in the calculations and therefore they are uncertain whether the impairment loss made against the available-for-sale financial asset is fair and appropriate. Due to the lack of sufficient and appropriate evidence for the above mentioned, we are unable to satisfy ourselves as to whether the impairment loss as determined by the directors of the Company against the available-for-sale financial asset, and in consequence the carrying amount of the available-for-sale financial asset as at 31 March 2010 are fairly stated.

We are unable to carry out alternative audit procedures to satisfy ourselves as to the matters set out above.

Any adjustments that might have been found to be necessary in respect of the matters set out in the paragraph above would have a consequential effect on the financial position of the Company or the Group as at 31 March 2010 and the loss and cash flows of the Group for the year then ended and the related disclosures in the financial statements.

### **DISCLAIMER OF OPINION: DISCLAIMER ON VIEW GIVEN BY THE FINANCIAL STATEMENTS**

Because of the significance of the effects of the limitations in evidence made available to us as set out in the basis for disclaimer of opinion section, 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 2010 and of the Group's loss and cash flows 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.

### **EMPHASIS OF MATTER**

Without qualifying our opinion, we draw attention to note 2(b) to the consolidated financial statements which indicate that the Group incurred total comprehensive loss attributable to equity owners of the Company of approximately HK\$2,672,267,000 for the year ended 31 March 2010 and the Company's current liabilities exceeded its current assets by approximately HK\$38,381,000 as at 31 March 2010. Notwithstanding the above, the consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the success of the measures as stated in note 2(b) for the Group, to obtain settlement of trade receivables, the continuing financial support from an associate and the attainment by the Group and the Company of profitable operations and positive cash flows. These conditions, along with other matters as set forth in note 2(b), indicate the existence of an uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as a going concern."

The above errors have already been rectified in the annual report of the Company published and despatched by the Company on 1 August 2010. We apologize for any confusion and inconvenience caused.

By Order of the Board of  
**Amax Holdings Limited**  
**Cheung Nam Chung**  
*Chairman*

Hong Kong, 2 August 2010

*As at the date of this announcement, the Board comprises Ms. Li Wing Sze and Mr. Victor Ng being the executive Directors, Mr. Cheung Nam Chung and Mr. Lau Dicky being the non-executive Directors and Mr. Cheng Kai Tai, Allen and Mr. Fang Ang Zhen being the independent non-executive Directors.*