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# AMAX

## Holdings Limited

**Amax Holdings Limited**  
**奧瑪仕控股有限公司\***  
*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 959)**

### **SUPPLEMENTAL CLARIFICATION ANNOUNCEMENT**

Reference is made to the announcements made by Amax Holdings Limited (the “**Company**”) dated 30 July 2010 and 2 August 2010 respectively in relation to the annual results of the Company for the ended 31 March 2010 (the “**Annual Results Announcement**”) and the clarification of certain typographical errors made in the Annual Results Announcement (the “**Clarification Announcement**”). Capitalised terms used in this announcement shall have the same meanings as those defined in the Annual Results Announcement unless the context herein otherwise requires.

#### **SUPPLEMENTAL CLARIFICATION**

Further to the Clarification Announcement, the Board would also like to clarify the following typographical and clerical errors made in the Annual Results Announcement as follows (*the relevant amendments have been underlined for easy reference*):

(1) On page 1:

The Group loss HK\$2.48 billion on revenue of \$5.6 million; this disappointing result was mainly due to AMA, our Macau business partner with whom the loan-for-profits agreement is signed, ceased to operate profitably and therefore the need to make impairment for all investment related to AMA.

\* For identification purpose only

(2) On page 8:

	<u>Continuing operations</u>	<u>Discontinued operation</u>	
	<b>Investments in gaming and entertainment related business</b>	<b>LCD products</b>	<b>Total</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>For the year ended 31 March 2010</b>			
<b>Revenue</b>			
Revenue from external customers	<u>5,551</u>	<u>—</u>	<u>5,551</u>
Reportable segment loss before taxation (including share of profit of an associate)	<u>(2,423,812)</u>	<u>—</u>	<u>(2,423,812)</u>
<b>At 31 March 2010</b>			
Reportable segment assets	<u>559,295</u>	<u>—</u>	<u>559,295</u>
Reportable segment liabilities	<u>331,552</u>	<u>—</u>	<u>331,552</u>

(3) On page 9:

	<u>Continuing operations</u>	<u>Discontinued operation</u>	
	Investments in gaming and entertainment related business <i>HK\$'000</i>	LCD products <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>For the year ended 31 March 2009</b>			
<b>Revenue</b>			
Revenue from external customers	<u>416,094</u>	<u>25,170</u>	<u>441,264</u>
Reportable segment profit before taxation (including share of profit of an associate)	<u>90,795</u>	<u>30,325</u>	<u>121,120</u>
<b>At 31 March 2009</b>			
Reportable segment assets	<u>3,676,458</u>	<u>—</u>	<u>3,676,458</u>
Reportable segment liabilities	<u>1,043,551</u>	<u>—</u>	<u>1,043,551</u>

(4) On page 10:

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

	<b>2010</b>	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>(LOSS)/PROFIT</b>		
Reportable segment (loss)/profit derived from Group's external customers	<b>(2,423,812)</b>	<u>121,120</u>
Bank interest income	<b>1</b>	340
Other interest income	<b>3,616</b>	—
Depreciation and amortisation during the year	<b>(1,706)</b>	(1,966)
Impairment of		
— other receivables	<b>(28,800)</b>	—
Fair value gain/(loss) on investment properties	<b>140</b>	(722)
Unallocated head office and corporate expenses	<b>(26,938)</b>	<u>(39,982)</u>
(Loss)/profit before taxation from continuing operations and profit from discontinued operation	<b>(2,477,499)</b>	<u>78,790</u>
<b>ASSETS</b>		
Reportable segment assets	<b>559,295</b>	3,676,458
Unallocated head office and corporate assets	<b>73,111</b>	<u>48,165</u>
Total assets	<b>632,406</b>	<u>3,724,623</u>
<b>LIABILITIES</b>		
Reportable segment liabilities	<b>331,552</b>	1,043,551
Unallocated head office and corporate liabilities	<b>8,222</b>	<u>9,680</u>
Total liabilities	<b>339,774</b>	<u>1,053,231</u>

(5) On page 12:

(a) The revenue and expenses related to the Junket related operation of AMA are summarised as follows:

	<b>2010</b> <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Commission from the Altira Macau Casino	<b>2,283,645</b>	4,598,406
Income from other promotion services	<b>46,040</b>	82,449
Other income	<b>644</b>	4,568
	<b>2,330,329</b>	4,685,423
Operating expenses		
Special gaming tax and funds to the Macau Government	<b>(16,790)</b>	(34,253)
Direct cost of promotion services	<b>(60,380)</b>	(107,227)
Commission to collaborators	<b>(2,006,438)</b>	(3,990,846)
Staff costs	<b>(24,794)</b>	(22,648)
Administrative expenses and others	<b>(12,323)</b>	(18,261)
	<b><u>(2,120,725)</u></b>	<u>(4,173,235)</u>
Contribution from junket aggregation business	<b>209,604</b>	512,188
Impairment for bad and doubtful debt*	<b><u>(2,515,674)</u></b>	—
Net contribution from junket aggregation business	<b><u>(2,306,070)</u></b>	512,188
Entitlement attributable to a shareholder of AMA	<b>(41,920)</b>	(102,438)
Impairment for bad and doubtful debt attributable to a shareholder of AMA	<b><u>503,135</u></b>	—
Net entitlement attributable to a shareholder of AMA	<b><u>461,215</u></b>	<u>(102,438)</u>
Net contribution attributable to the Group <sup>#</sup>	<b><u><u>(1,844,855)</u></u></b>	<u><u>409,750</u></u>

\* During the year, most AMA's collaborators entered into separate agreements with the Gaming Operator (note 20(b)). As a result, AMA no longer has business with these collaborators. AMA demanded for repayment of the loans granted, for purpose of running the gaming business, to these collaborators. Upon agreeing to reducing the loans amount, few collaborators entered into repayment agreements setting down the repayment schedule of loans and repaid by installments on agreed due date.

The rest of collaborators of HK\$372,850,000 due to AMA was fully impaired under the following situation that:

- the collaborator was bankruptcy; or
- AMA was waiting for the result of litigation action already taken; or
- AMA loss contact with the collaborators; or
- the repayment ability of collaborators

There was another collaborator with an amount approximately HK\$2,142,824,000 due to AMA. The collaborator declared that the whole amount was lent to its sub-collaborators for operating gaming promotion business and the collaborator was demanding them to repay the amount due. The collaborator will repay the debt to AMA when the collaborator received the amounts from its sub-collaborators. Hence, AMA is unable to estimate the recoverable amount of the debt owned by the collaborator and therefore a full impairment was made by AMA.

The whole page 84 of annual report should be removed.

(6) On page 13:

- \* Pursuant to the new arrangement with the gaming operator, Thousand Ocean Investments Limited should bear the operating expenses and share the net gaming wins from VIP only.

(7) On page 15:

**(b) Other items:**

**Continuing operations:**

Depreciation of property, plant and equipment	<b>1,706</b>	1,966
Amortisation of intangible assets	<b><u>1,810</u></b>	2,535
Auditor's remuneration		
— audit services	<b><u>580</u></b>	500
— other services	<b><u>210</u></b>	358
Operating lease charges in respect of premises:		
— minimum lease payments	<b>3,233</b>	3,221
Gross rental income from investment properties less direct outgoings of HK\$69,000 (2009:HK\$69,000)	<b><u>(147)</u></b>	<b><u>(111)</u></b>

**Discontinued operations (note 8):**

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	<b><u>—</u></b>	<b><u>20,594</u></b>

(8) On page 18:

The calculation of basic (loss)/earnings per share is based on the loss attributable to equity owners of the Company from continuing operations of HK\$2,477,499,000 (2009: profit of HK\$48,518,000) and the weighted average number of ordinary shares of 3,434,496,000 shares (2009: 2,658,889,000 shares) in issue during the year.

(9) On page 19:

**(b) Diluted (loss)/earnings per share**

*For continuing and discontinued operations*

For the year ended 31 March 2010, the diluted loss per share is equal to the basic loss per share as the outstanding share options were anti-dilutive.

For the year ended 31 March 2009, the calculation of diluted earnings per share is based on the profit attributable to equity owners of the Company of HK\$78,843,000 and the weighted average number of ordinary shares of 2,660,194,000 shares in issued during the year calculated as follows:

Weighted average number of ordinary shares (diluted)

	2009 '000
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	2,658,889
Effect of deemed issue of shares under the Company's share option scheme for nil consideration	<u>1,305</u>
Weighted average number of ordinary shares (diluted) for the purpose of diluted earnings per share	<u><u>2,660,194</u></u>

(10) On page 20:

## 11. NON-CURRENT ASSETS

	Leasehold improvements HK\$'000	Plant and machinery, furniture and equipments and motor vehicles HK\$'000	Sub-total HK\$'000	Investment properties HK\$'000	Total non-current assets HK\$'000	Assets of disposal group classified as held for sale HK\$'000
<b>Cost or valuation:</b>						
At 1 April 2008	3,959	3,875	7,834	4,112	11,946	132,182
Additions	213	905	1,118	—	1,118	198
Disposals	—	(15)	(15)	—	(15)	—
Disposal of subsidiaries	—	—	—	—	—	(132,380)
Fair value adjustment	—	—	—	(722)	(722)	—
At 31 March 2009	4,172	4,765	8,937	3,390	12,327	—
<b>Representing:</b>						
Cost	4,172	4,765	8,937	—	8,937	—
Valuation — 2009	—	—	—	3,390	3,390	—
	4,172	4,765	8,937	3,390	12,327	—
At 1 April 2009	4,172	4,765	8,937	3,390	12,327	—
Additions	45	5	50	—	50	—
Disposals	(888)	(753)	(1,641)	—	(1,641)	—
Fair value adjustment	—	—	—	140	140	—
At 31 March 2010	3,329	4,017	7,346	3,530	10,876	—
<b>Representing:</b>						
Cost	3,329	4,017	7,346	—	7,346	—
Valuation — 2010	—	—	—	3,530	3,530	—
	3,329	4,017	7,346	3,530	10,876	—
<b>Depreciation and impairment:</b>						
At 1 April 2008	1,143	791	1,934	—	1,934	130,470
Charge for the year	1,051	915	1,966	—	1,966	511
Write back on disposals	—	(3)	(3)	—	(3)	—
Disposal of subsidiaries	—	—	—	—	—	(130,981)
At 31 March 2009	2,194	1,703	3,897	—	3,897	—
At 1 April 2009	2,194	1,703	3,897	—	3,897	—
Charge for the year	786	920	1,706	—	1,706	—
Write back on disposals	(319)	(236)	(555)	—	(555)	—
At 31 March 2010	2,661	2,387	5,048	—	5,048	—
<b>Net carrying value:</b>						
At 31 March 2010	668	1,630	2,298	3,530	5,828	—
At 31 March 2009	1,978	3,062	5,040	3,390	8,430	—



(11) On page 21:

The intangible assets represent the rights in sharing the net gaming wins, chip commission and fees and allowance (“Profit Streams”) from VIP gaming related operation and slot machine operation in the Greek Mythology Casino in Macau for 14 years starting from 16 February 2007. Such intangible assets are carried at cost less accumulated amortisation and impairment losses.

During the year ended 31 March 2010, the Group review the present status of the slot machines in the Greek Mythology and the slot machines have been running several years, the Group identify that the intangible assets maybe further impaired and re-assesses the recoverable amount of the intangible assets.

During the year ended 31 March 2010, in view of the keen market competition for VIP related operation, the Group identified that the intangible assets maybe further impaired and re-assesses the recoverable amount of the intangible assets.

The recoverable amounts of the above intangible asset are determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by the management covering a four-year period, and cash flows for the following six years (2009: seven years) are extrapolated using the estimated rates stated below.

(12) On page 24:

#### 14. OTHER FINANCIAL ASSETS

##### Available-for-sale financial asset

The fair value of available-for-sale financial asset as at 31 March 2010 was measured using the value-in-use calculations by an individual professional valuer, Grant Sherman.

Based on the assessment, the directors of the Company are the opinion that the impairment loss of HK\$1,973,408,000 should be made for the year ended 31 March 2010.

	<b>The Group</b>	
	<b>2010</b>	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>
Available-for-sale financial asset	2,095,268	2,095,268
Less: Impairment loss		
— through income statement	(1,778,140)	—
— through statement of comprehensive income	(195,268)	—
	(1,973,408)	—
	121,860	2,095,268

(13) On page 26:

**20. CAPITAL AND RESERVES**

	Attributable to equity owners of the Company									
	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000	Contributed surplus HK\$'000	Capital reserve HK\$'000	Fair value reserve HK\$'000	Retained profits/ accumulated losses HK\$'000	Total HK\$'000	Minority interests HK\$'000	Total HK\$'000
At 1 April 2008	26,589	3,768,399	(22,470)	—	6,872	3,209,650	(1,345,435)	5,643,605	53	5,643,658
Cancellation of share premium	—	(3,768,399)	—	2,219,909	—	—	1,548,490	—	—	—
Share options forfeited during the year	—	—	—	—	(2,779)	—	2,779	—	—	—
Dividend — 2009 interim	—	—	—	(39,883)	—	—	—	(39,883)	—	(39,883)
Equity-settled share-based transaction	—	—	—	—	3,209	—	—	3,209	—	3,209
Profit for the year	—	—	—	—	—	—	78,843	78,843	(53)	78,790
Other comprehensive (loss)	—	—	—	—	—	(3,014,382)	—	(3,014,382)	—	(3,014,382)
Total comprehensive income/ (loss) for the year	—	—	—	—	—	(3,014,382)	78,843	(2,935,539)	(53)	(2,935,592)
At 31 March 2009 and	26,589	—	(22,470)	2,180,026	7,302	195,268	284,677	2,671,392	—	2,671,392
1 April 2009	11,400	278,180	—	—	—	—	—	289,580	—	289,580
Shares issued against the promissory notes	—	—	—	—	—	—	—	—	—	—
Shares issued under employee share options scheme	71	1,452	—	—	(466)	—	—	1,057	—	1,057
Equity-settled share-based transaction	—	—	—	—	3,370	—	—	3,370	—	3,370
Share options forfeited during the year	—	—	—	—	(501)	—	501	—	—	—
Loss for the year	—	—	—	—	—	—	(2,477,499)	(2,477,499)	—	(2,477,499)
Other comprehensive (loss)	—	—	—	—	—	(195,268)	—	(195,268)	—	(195,268)
Total comprehensive (loss) for the year	—	—	—	—	—	(195,268)	(2,477,499)	(2,672,767)	—	(2,672,767)
At 31 March 2010	38,060	279,632	(22,470)	2,180,026	9,705	—	(2,192,321)	292,632	—	292,632

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, 6 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.*