

Initiation Report

Amico Games Corp.

Recent Price:

Recommendation:

Price Target:

May 18, 2010

OTC BB: AMCG.OB

\$0.145

Strong Buy

\$0.40

Summary: Amico Games Corp. is a software development company providing online games to wireless phone customers in China. They offer four games each of which is 'Massive Multi player Online Role Playing' (MMORP) genre which is the most popular type of game in China.

At a Glance	
TICKER	AMCG
FISCAL	August 28
SECTOR	Mobile phone services
RECENT PRICE (12/21/09)	\$0.14
TARGET PRICE-12-18 Month	\$0.40
MARKET CAP \$mil	\$31.7
52 -WEEK HIGH	\$0.28
52-week low	\$0.06
Price/Fwd Op.Cash Flow	13.6
FORWARD PRICE/SALES	11.0
PRICE/BOOK VALUE (mrq)	110.3
SHARES OUTSTANDING	292 mil
FULLY DILUTED 12/21/09	292 mil
FLOAT	72 mil
AVG DAILY VOLUME(3mo)	1,030,540
INSIDER SHAREHOLDERS %	75.3%
CEO	Peter Liu

Investment Rationale:

- Pure play on China consumer market. China is not seeing a recession and estimates for GDP growth are in the 9-10% range assuring ongoing customer demand.
- World's largest mobile phone market. China has over 700 million mobile phones and is still growing. Consumers are converting to 3G phones in huge numbers which creates demand for faster and more realistic games such as offered by Amico.
- Mobile phone operators are looking for value added services such as online games.

- Experienced Management team. Led by CEP Peter Liu, the key managers have been working together for over five years and have nearly fifty years of industry experience.
- Ongoing Product Development. Amico is also the first company to provide the popular wrestling genre games and multi-player games over the WAP platform of China Mobile™ (In addition to having the world's largest mobile network, China Mobile has the greatest number of mobile subscribers). WAP phone game, Miracle Journey to the West, is now the market leader of multiplayer WAP game market in China in terms of registered users.
- Steady Subscriber growth. 2010 growth is over 1 million new users/month. 45-70% annualized growth rate in 2010.
- Technological improvements. Adding Java technology for faster games with enhanced enjoyment.
- Partnership with Nokia- world's largest mobile phone manufacturer. Amico is the first Chinese company to cooperate with Nokia to develop Java™ multi-player mobile phone games.
- Rated as one of the top three online game companies in China.
- Competitive Advantage: brand recognition, intellectual property, leadership position in industry provides greater access to phone companies and negotiating power.
- High margin software type business.

Business Model

The Company develops MMORP games in house and distributes through 3rd party web site, www.qq.com which is owned by Tencent Holdings Ltd (Hong Kong: 700-HK) who are one of the largest web site operators in China. Typical games are downloaded at no charge and the Company makes money by selling add-on virtual products/services to the players to customize their character or acquire additional services that enhance their playing experience. These items are paid for by micropayment services and the revenue is shared with the internet service provider.

History

The Company was incorporated under the name of Destiny Minerals Inc. on February 12, 2008 under the laws of the State of Nevada.

On December 31, 2009, the Company closed a reverse merger with Vodafun Limited ("Vodafun"). Vodafun has no other material operations except a series of contractual arrangements with Galaxy Software (Guangzhou) Limited ("Galaxy"), a private-owned company incorporated under the laws of the People's Republic of China on November 15, 2001 with a registered capital of RMB 3,000,000 that was fully paid up.

The Company's relationship with **Galaxy** and its shareholders is governed by a series of contractual arrangements among Vodafun, Galaxy and the 100% holders of the share capital of Galaxy (the "Galaxy Shareholders") entered on April 15, 2009. The contractual arrangements include Consulting Services Agreement, Business Operating Agreement, Equity Pledge Agreement, Exclusive Option Agreement, and Voting Right Proxy Agreement. Under the laws of China, the contractual arrangements constitute valid and binding obligations of the parties of such agreements. Each of the contractual arrangements and the rights and obligations of the parties thereto are enforceable and valid in accordance with the laws of China.

Principal Products

The Company is an information technology company specializing in developing and distributing mobile phone games for the Chinese market. Games are delivered across JAVA and WAP platforms over 3G and 2.5G mobile telecommunication networks in China. The term “mobile phone game” refers to video games which are downloaded and played on mobile, or cellular, phones. This definition does not include games played on personal digital assistants, handheld computers or handheld video game system such as PlayStation Portable or Nintendo DS. The mobile phone games developed by Galaxy are downloadable and can be played on mobile phone devices that are commercially available in the retail market in China. The majority of their games are “networked” or “multiplayer” because they are played over the mobile internet network in China. This allows players to interact with each other in the game environment so that a number of players can be involved together in one game. This provides the game players with a more varied and interactive gaming experience.

The Company has developed over 10 mobile phone games since inception and is capable of providing interactive multiplayer mobile phone games through multiple technology platforms to mobile phone end users. Most of these games are currently delivered through the 2.5G technology platform, using the WAP and Java™ protocols, which offer high quality graphics, rich content and interactivity. In the past games were provided through the SMS platform on 2G network technology, but this was stopped in March of 2008. 2G, 2.5G and 3G are different variations of the mobile telecommunication networks throughout China, with 2G being the earliest and least capable of the kind of transmissions required by complex multiplayer games, and 3G being the newest and most capable.

The followings are the types of mobile phone games the Company developed and delivers over the 2.5G telecommunications network in China:

- *WAP games*: Wireless Application Protocol (“WAP”) is an open standard for communication between mobile phones and the internet. WAP allows for the delivery of web data to mobile phones with relatively small screen displays as it compresses the data appropriately. It allows users to download color and animated pictures and other interactive game content on their mobile phones so that users can request and receive information in a manner similar to accessing information on Internet web sites using personal computers.

Testing of the first WAP game, *Miracle Journey to the West*, began in January of 2006, but did not begin to receive revenues for from this game until it went ‘live’ in May of 2006. Two more WAP games: *Miracle Jiutian* in July of 2007 and *Fantasy Wulin* were launched in October 2008 and are generating revenue..

- *Java™ games*. Java™ is the software that has been specifically designed by Sun Microsystems to enable the development of applications on mobile devices; allowing mobile phone users to play interactive and multiplayer mobile phone games. Java™ is the most common application development platform for mobile games and allows for more advanced information and game play than WAP.

Galaxy started testing of its Java™ game, *Journey to the West OL*, in June of 2008, and has been receiving revenues for this game since final testing in May 2009.

The following are the names and details of the mobile phone games developed by us and which are currently available for download through various mobile service providers

	<i>Miracle Journey to the West</i>	<i>Miracle Jiutian</i>	<i>Fantasy Wulin</i>	<i>Journey to the West OL</i>
Development Platform	WAP	WAP	WAP	Java™
Mobile Network	2.5G and 3G	2.5G and 3G	2.5G and 3G	2.5G and 3G
Final Test Date	May 2006	September 2007	October 2008	May 2009

Miracle Journey to the West



Miracle Journey to the West is an adaptation of a famous Chinese novel: *Journey to the West*. The game incorporates many of the well known sites, scenes and characters from the classic novel. Miracle Journey to the West's virtual game world was designed according to the novel's story which revolves around the Tang Dynasty. The game provides players with real-time graphics mapping, real-time fighting effects and other WAP graphic technologies. The game also provides players with interactive game play functions such as fighting, upgrading characters, skill, task, various transactions, chatting, etc. To increase appeal of the game and enrich the users' gaming experience new content is added on a weekly basis.

Miracle Jiutian



Miracle Jiutian's theme is based on a famous, ancient Chinese martial arts story. The game environment is a highly stylized virtual world with eastern martial-arts characters, in which many famous Chinese factions and cities are presented.

Fantasy Wulin



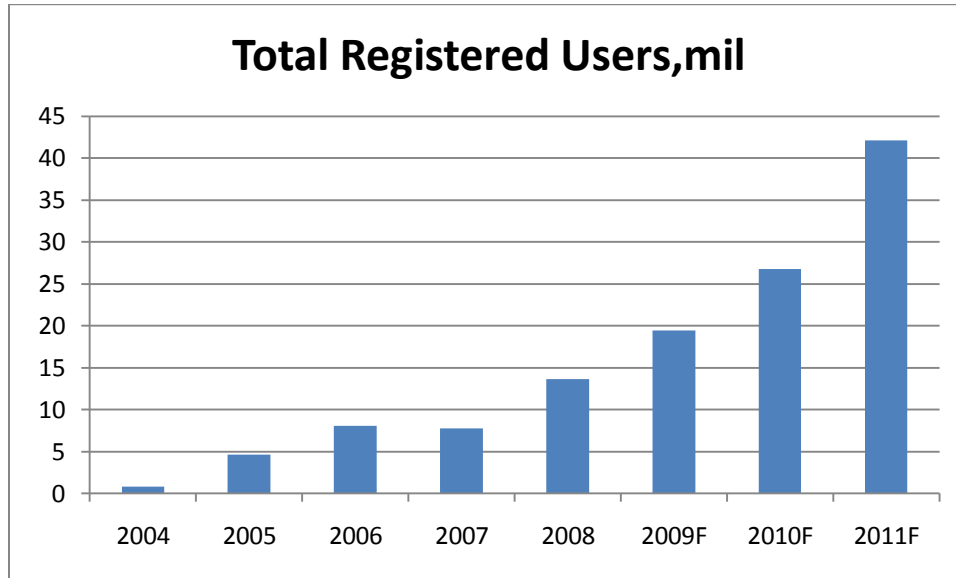
Fantasy Wulin is a multiplayer mobile phone role playing game. It is an adaptation of traditional Chinese warrior stories and legends. Once a player downloads the game, they assume a fictional character of their choosing and interact with other players and challenge the game's artificial intelligence to become a Wulin warrior. The game provides detailed scenarios and diversified interactive environments for extended and repeated gaming.

Journey to the West OL



Journey to the West Online is a multiplayer mobile phone game on the Java™ platform. The virtual game world of Journey to the West Online is based on Chinese mythology, is presented in a popular cartoon design style, and provides a rich, personal computer-like, online game experience due to the flexibility of the Java™ platform. The game provides an environment which promotes extended game play recurring usage by providing the ability to build long term relationships with other users through interactions and opportunities within the game itself. The games allows players to upgrade and enhance their fictional character's status and skills, as well as providing other extended gaming through access to secret communities, various country affiliations and even the ability to engage in virtual 'marriage' with other users.

All of these games have had success in the market but *Miracle Journey to the West* has the largest market share with an 11.1% share of the multiplayer WAP game market with approximately 15,000,000 registered users as of August 31, 2009.



Source: Company Forecast August 2009

Amico Games Corp - Registered Product Users By Game and Month					
Game	Game Type	Jan-10	Feb-10	Mar-10	Annualized Growth Rate,%
Miracle Journey to the West	WAP	16,373,697	17,027,554	17,752,054	34%
Fantasy Wulin	WAP	3,210,987	3,414,207	3,623,618	51%
Journey to the West Online	JAVA™	2,009,833	2,050,965	2,501,234	98%
Total		21,594,517	22,492,726	23,876,906	42%
Growth vs. Prior, %		-	4.2%	6.2%	
Annualized Growth Rate, %		-	49.9%	73.8%	

Source: Company

Miracle Journey to the West had 11% of the China MMORP market in August 2009. The Company was voted one of the Top Three mobile game providers (for revenue) by the Fifth China Mobile Phone Game Enterprise Appraisal Fair in February 2010.

Product Development Strategy

Amico plans to adopt the following strategies over the next 12 months:

1. Develop software to allow users to generate maps and game play scenarios for *Journey to the West OL*.
2. Develop software that would allow users to operate our games on a larger number of platforms such as the iPhone and personal computers.
3. Develop WAP 2.0 support for our WAP games to take advantage of the benefits offered by this newer standard.
4. Develop additional Java™ games as the Chinese telecommunication network moves towards 3G compatibility. This is an aggressive strategy that may establish ACMG as a leader in this newly developing market.
5. Create in-game 'goods' which may be purchased by the players to increase their game experience or enhance their status in the game and provide additional revenue.
6. Develop a proprietary online mobile game platform and become not just a content provider, but a service provider by allowing players to access the games directly from the Company's own websites.
7. Investigate the possibility of licensing foreign developed games for use on the Chinese network in order to rapidly increase game offerings.

Intellectual Property

The Company holds intellectual property rights in the mobile phone games they have developed. The following is a list of intellectual property rights in mobile phone games:

1. PC Software Copyright Registration Certificate of E-Love (2003);
2. PC Software Copyright Registration Certificate of Tang Dynasty Journey to the West (2004);
3. PC Software Copyright Registration Certificate of Empire Times (2003);
4. PC Software Copyright Registration Certificate of Empire Times (2009);
5. Software Product Registration Certificate of Tang Dynasty Journey to the West (2007);
6. PC Software Copyright Registration Certificate of Fantasy Wulin (2009);
7. PC Software Copyright Registration Certificate of Shuihu Heros Legend (2009);
8. PC Software Copyright Registration Certificate of Journey to the West OL (2009);
9. PC Software Copyright Registration Certificate of Jianghu Domination (2003);
10. PC Software Copyright Registration Certificate of Miracle Journey to the West (2007); and
11. PC Software Copyright Registration Certificate of Miracle Jiutian (2007).

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Industry Overview

Mobile phone usage was 4.1 billion as of December 2009. China has 747 million which is 18% of the world's phones but only 56% of China's population. Very large percentages of phone users purchase or play games on their phones:

- 70% of Gen X in North America play mobile games
- 52% of US Teens use mobile phones as entertainment

- 69% of Europeans have played games on their phones
- Mobile gaming market is estimated to reach RMB 4.2 billion (US\$ 617 million) by 2011, a growth rate of 45%

Source: Evian Investor Relations

Industry Outlook

Conversion to 3G technology enables faster downloads and more action and enhanced visual and special effects in games. MMORP games are the most popular genre of mobile games in China.

Competition

Some of the large MMORP game providers include Giant Industries (NYSE:GA), Shanda Games (NASDAQ: GAME), Changyon.com (NASDAQ: CYOU) and KongZhong Corp (NASDAQ: KONG). There are numerous smaller companies also competing.

Valuation

Although many players play for free, Management says that of the players that do buy virtual products and services, they receive about \$7.50/player/year. Consequently if they can maintain these sales and growth rates the business can achieve significant value. A DCF Valuation using these assumptions indicates a Net Present Value of \$0.37/share or about \$110 million. See Appendix Table 1. A Sensitivity Analysis to the growth rate and discount rate is shown below:

Case	Base Case	A	B
		20% Lower Average Growth Rate	25% lower Discount rate
Average Growth Rate, 2011-2021,%/yr	37%	33%	37%
Discount Rate	20%	20%	15%
NPV,\$/sh	\$0.28	\$0.19	\$0.41
NPV,\$mil	\$81	\$56	\$121

Given the market growth and recent Company growth in registered users Case A seems conservative. Case B assumes a discount rate of 15% rather than 20% which may be appropriate given the high margins and essentially viral nature of their sales programs. They have 45 developers and this is not cash intensive and they seem to not need outside funding in the near future.

Recent Transactions

KongZhong Corporation acquired Shanghai Dacheng Network Technology Co. Ltd. In December 2009 for as much as \$80 million (depending on 2010 net income). The threshold net income for the maximum payout was \$6.5 million in 2010. Although AMCG is not likely to achieve that level of profitability this year, they are a publicly traded company so should receive a substantial premium over a private company.

Given the popularity of their games, the number of development programs with major mobile phone vendors, track record of the management team, I can conclude Case B is more likely than the Base Case. **A 12-18 month price target of \$0.40 seems reasonable.**

Management Team

Peter Liu

President and Chief Executive Officer. He was one of earliest pioneers in the mobile game industry in China, and became the founder and executive director of Galaxy in 2001. Mr. Liu has extensive experience in business administration, team building and project management. Mr. Liu holds a diploma in an Executive MBA training course from the South China University of Technology which he received in 2005. He also completed training courses in Financial Management from the South China Normal University in 2002 and Computer Application from the Sun Yat-Sen University in 2000.

Wing Kuen Ha

Chief Financial Officer, Principal Accounting Officer, Treasurer and Secretary. He has over 20 years of experience in the areas of auditing, transaction advisory services and commercial transactions. In the past, Mr. Ha has served as an executive director, group financial controller and company secretary for several publicly traded companies listed on the Hong Kong Stock Exchange. From, October 2002 to April 2005, Mr. Ha worked as a senior accounting consultant with Lui & Leung CPA. From May of 2005 to the present, Mr. Ha has been employed as a senior consultant by Hong Kong based Palladia Consulting Limited. Mr. Ha holds a Masters Degree in Professional Accounting from the Open University of Hong Kong and he is also a fellow member of The Association of Chartered Certified Accountants and The Hong Kong Institute of Certified Public Accountants.

Yuan Xu

Chief Operating Officer. Mr. Xu brings 14 years of experience in the Chinese telecommunications industry as well as expertise in business networking and strategic alliance formation with major telecommunication network operators and value-added service providers in China. Mr. Xu joined Galaxy in October 2006 as its Chief Operating Officer. Prior to joining Galaxy, Mr. Xu was the general manager of Guangzhou Hanzheng Information Technology Limited and Guangzhou Polynet Limited during the period from July 2005 to October 2006. From 2003 to July 2005, he was the CEO of Guangdong Renwoxing Information Industry Limited, a software development company. Mr. Xu received his Bachelor degree in 1991 from Anhui University of China.

Lin Zhong

Chief Technology Officer. In 2002 Mr. Zhong joined Galaxy as a programmer and was appointed as its Technology Director in 2003. He is proficient in developing multiplayer mobile games for a number of various mobile platforms including SMS, WAP and Java. Mr. Zhong is the system analyst and project manager for most of our mobile games. Mr. Zhong received his Bachelor degree in Computer Science and Technology in year 2000 from National University of Defense Technology of China.

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About

Venture Research, LLC located at 907 Decatur Street Unit F, New Orleans, LA 70116 is an independent research and consulting firm. We offer equity research services on selected smaller capitalization companies that we believe have exceptional growth potential but typically lack conventional broker/dealer research coverage. Research services are provided on a subscription basis on selected peer group baskets of stocks for institutional investors, broker/dealers, registered advisors and other investors. The Company is not a broker/dealer and does not expect investment banking compensation.

Mr. Mahaffey began his career with Exxon in engineering and later moved into board room level international business development for a major petrochemical company. He conducted merger and acquisition services for The Sterling Group in Houston, TX and led an LBO program for a Boston based investment firm. He worked with an SEC Registered Investment Advisor and has held Series 7 and 65

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licensees. He has covered oil and gas, energy and other stocks as an independent equity analyst with Redchip and other research providers. He is a private investor in oil and gas prospects. He received a “Five Star” rating from Yahoo Finance for stock performance results. He has co-founded ventures in the gaming, international distribution and oil service industries. He has been quoted in numerous local and international publications including Bloomberg News. Mr. Mahaffey holds a BS in Chemical Engineering from Louisiana State University and an MBA from The Wharton School, University of Pennsylvania. He holds the Chartered Financial Analyst (CFA) charter and is a member of the New York Society of Securities Analysts.

Analyst Certification

The analysts contributing to this report do not hold any shares of AMCG. Additionally, the analysts contributing to this report certify that the views expressed herein accurately reflect the analysts' personal views as to the subject securities and issuers. Venture Research LLC (VR) certifies that no part of the analysts' compensation was, is, or will be, directly or indirectly, related to the specific recommendation or views expressed by the analyst authoring this report.

Venture Research LLC Research Universe

VR, covers small and micro cap companies with market caps typically less than \$500 million. Each company is typically covered for at least 12 months. New companies may be added or removed at any time.

Rating System

STRONG BUY The current price reflects a substantial discount from the market and from its peers, and the company does not possess significant financial risk within its risk category. Future growth potential is undervalued relative to the company's stock price. The analyst believes the stock at current levels represents a compelling opportunity for capital gains over the time period to its target price.

BUY The current price reflects a discount from the market and from its peers, and the company does not possess significant financial risk within its risk category. The analyst believes the stock at current levels will provide an opportunity for capital gains over the period of its target price. Several factors can indicate an undervaluation of the company's shares.

SPECULATIVE BUY The current price appears to offer potential gains though risk is considerably higher.. There may be insufficient historical data or clear-cut prospects to warrant a "Buy," but the analyst believes that the long run prospects of the Company are positive. The analyst believes its risk/ reward ratio advocates purchase of the stock. In the short term, the stock may be subject to high volatility and continue to trade at a discount to its market.

HOLD The analyst is unable to assign a buy rating due to a number of specified factors noted in the report. These include the stock being fairly valued relative to its peers and the market, or the company may have risks that make it potentially unsuitable for investment within its risk category. Similarly there are no currently known compelling factors that would warrant selling. The analyst will remain neutral pending developments.

SELL The analyst believes that the Company is overvalued based on its current status. The future of the Company's operations may be questionable and there is an extreme level of investment risk relative to reward given its risk category. An investment in the company may produce below market returns and/or deficits.

Rating Universe		
Rating	# Companies	% of Universe
Strong Buy	2	28.4%
Buy	1	12.5%
Speculative Buy	3	37.5%
Hold	1	12.5%
Sell	1	12.5%

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Amico Games Discounted Cash Flow Model

Years Ending December 31

FC Next 12 Months	Forecast										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total revenue	\$2,776,806	\$4,165,209	\$6,247,814	\$9,371,720	\$14,057,580	\$19,680,613	\$26,568,827	\$34,539,475	\$43,174,344	\$51,809,212	\$59,580,594
Operating Costs	0	1,249,563	2,186,735	3,280,102	4,920,153	6,888,214	9,299,089	12,088,816	15,111,020	18,133,224	20,853,208
Gross profit	2,776,806	2,915,646	4,061,079	6,091,618	9,137,427	12,792,398	17,269,737	22,450,659	28,063,323	33,675,988	38,727,386
Selling, general and administrative expenses	450,000	450,000	540,000	648,000	777,600	933,120	1,119,744	1,343,693	1,612,431	1,934,918	2,321,901
Earnings before interest, taxes, depr. & amort. (EBITDA)	2,326,806	2,465,646	3,521,079	5,443,618	8,359,827	11,859,278	16,149,993	21,106,966	26,450,892	31,741,070	36,405,485
Depreciation and amortization	17,372	26,058	62,478	93,717	140,576	196,806	265,688	345,395	431,743	518,092	595,806
Earnings before Interest and taxes (EBIT)	2,309,434	2,439,588	3,458,601	5,349,901	8,219,251	11,662,472	15,884,305	20,761,571	26,019,149	31,222,978	35,809,679
Available tax-loss carryforwards	0	0	0	0	0	0	0	0	0	0	0
Net taxable earnings	2,309,434	2,439,588	3,458,601	5,349,901	8,219,251	11,662,472	15,884,305	20,761,571	26,019,149	31,222,978	35,809,679
Federal and State Income Taxes	465,336	365,938	518,790	802,485	1,232,888	1,749,371	2,382,646	3,114,236	3,902,872	4,683,447	5,371,452
Net Operating Profit After-Tax (NOPAT)	1,844,099	2,073,650	2,939,811	4,547,416	6,986,364	9,913,101	13,501,660	17,647,335	22,116,277	26,539,531	30,438,227
Add back depreciation and amortization	17,372	26,058	62,478	93,717	140,576	196,806	265,688	345,395	431,743	518,092	595,806
Subtract Capital Expenditures	0	0	0	0	0	0	0	0	0	0	0
Subtract New Net Working Capital		138,840	208,260	312,391	468,586	562,303	688,821	797,065	863,487	863,487	777,138
Free Cash Flow	\$1,861,471	\$2,238,548	\$3,210,549	\$4,953,524	\$7,595,526	\$10,672,211	\$14,456,169	\$18,789,795	\$23,411,507	\$27,921,110	\$31,811,172

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Terminal value, 2019

\$364,054,853

Present Value of Free
Cash Flows @ rate%

1,946,564	2,427,636	3,257,022	4,342,766	5,305,975	6,249,801	7,063,780	7,653,263	7,936,922	73,990,191
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**Total Present Value
of Company
Operations**

\$120,173,920

Plus Current Assets

510,737

**Total Market Value of
Assets**

\$120,684,657

Shares Outstanding

292,000,000

NPV/share

\$0.41

Venture Research LLC

Amico Games Corp.

Forecasting Variables:	FC Next 12 Months									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenue growth factor	50%	50%	50%	50%	40%	35%	30%	25%	20%	15%
Expected gross profit margin	70%	65%	65%	65%	65%	65%	65%	65%	65%	65%
S, G, & A expense % of revenue	11%	9%	7%	6%	5%	4%	4%	4%	4%	4%
Depr. & Amort. % of revenue	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Capital expenditure growth factor	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Net working capital to sales ratio	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Income tax rate	15%									
Terminal Value, Multiple Operating Cash Flow	10									
Discount rate	15%									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Valuation Model Outputs:										
Gross profit margin	100%	70%	65%	65%	65%	65%	65%	65%	65%	65%
Net operating profit margin	83%	59%	55%	57%	58%	59%	60%	60%	60%	60%
Free cash flow (\$ mil)	\$1.9	\$2.2	\$3.2	\$5.0	\$7.6	\$10.7	\$14.5	\$18.8	\$23.4	\$27.9
Terminal value (\$ mil)										\$364.1
PV of Company Operations (\$ mil)	\$120.2									
Market Value of Company Assets (\$ mil)										
Revenue Growth Factor	1									
SG&A,% vs. Prior		20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
SG&A,\$	450,000	540,000	648,000	777,600	933,120	1,119,744	1,343,693	1,612,431	1,934,918	2,321,901
Average Growth Rate,%/yr next 10 Years	37%									

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AMICO GAMES CROP.		
Consolidated Balance Sheets		
As of February 28, 2010 and August 31, 2009		
	Feb. 28, 2010	Aug. 31, 2009
	(unaudited)	
Current Assets		
Cash and cash equivalents	\$ 170,365	\$ 191,470
Accounts receivable, net	307,490	390,082
Prepaid expenses and other receivables	32,882	30,636
Total Current Assets	510,737	612,188
Property, plant and equipment, net	40,513	31,474
Intangible assets & deferred charges	542	517
Total Assets	\$ 551,792	\$ 644,179
Current Liabilities		
Payables and accrued liabilities	\$ 20,926	\$ 10,592
Dividend payable	-	289,203
Due to related parties (S/T)	13,185	13,176
Income taxes payable	63,458	52,322
Other taxes payable	4,340	5,500
Wages payable	48,697	72,178
Loan facility	30,035	-
Total Current Liabilities	180,641	442,971
Total Liabilities	\$ 180,641	\$ 442,971
Stockholders' Equity		
Preferred stock, 100,000,000 shares authorized, \$0.00001 par value; none issued and outstanding	-	\$ -
Common stock, 100,000,000 and 600,000,000 shares authorized, \$0.00001 par value; 54,500,000 and 73,000,000 issued and outstanding at August 31, 2009 and February 28, 2010, respectively	730	545
Additional paid in capital	281,618	107,803
Accumulated other comprehensive income	12,651	12,344
Retained earnings	76,152	80,516
Total Stockholders' Equity	371,151	201,208
Total Liabilities and Stockholders' Equity	\$ 551,792	\$ 644,179

Venture Research LLC

AMICO GAMES CROP.				
Consolidated Statements of Operations				
For the Three and Six Month Ended February 28, 2010 and 2009				
(Unaudited)				
	For the Three Months Ended		For the Six Months Ended	
	February 28,		February 28,	
	2010	2009	2010	2009
Revenue	\$ 458,076	\$ 253,663	\$ 925,602	\$ 544,627
Operating Costs and Expenses:				
Selling expenses	165,472	114,409	307,396	132,041
A&G expenses	417,733	193,296	590,696	412,076
Depreciation of property, plant and equipment	4,325	3,196	8,686	7,533
Total operating costs and expenses	587,530	310,901	906,778	551,650
Income (Loss) From Operations	(129,454)	(57,238)	18,824	(7,023)
	-	-		
Interest income	(236)	(127)	(392)	(453)
Interest expenses	841	11	1,022	23
Income (Loss) Before Income Taxes	(130,059)	(57,122)	18,194	(6,593)
Income Tax Expense				
Current	1,527	(1,552)	22,558	4,675
	-	-		
Net Income (Loss)	\$ (131,586)	\$ (55,570)	\$ (4,364)	\$ (11,268)
Other Comprehensive Income				
Foreign currency translation adjustment	572	(536)	307	152
Comprehensive Income	\$ (131,014)	\$ (56,106)	\$ (4,057)	\$ (11,116)
Earnings Per Share, Basic and Diluted	\$ -	\$ -	\$ -	\$ -
Weighted Average Shares Outstanding	66,820,000	54,500,000	60,625,967	54,500,000