
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker, or other licensed securities dealer, bank manager, solicitors, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Amax Entertainment Holdings Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any losses howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



Amax Entertainment Holdings Limited

澳瑪娛樂控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 959)

PROPOSED SHARE PREMIUM CANCELLATION

A notice convening a special general meeting of the Company to be held at Strategic Financial Relations Limited, Room 3203, 32nd Floor, Admiralty Centre I, 18 Harcourt Road, Hong Kong on Friday, 19 September 2008 at 3:00 p.m. is set out on pages 6 to 7 of this circular. A form of proxy for use at the special general meeting is enclosed.

Whether or not you intend to attend and vote at the special general meeting, you are requested to complete and return the enclosed form of proxy to the Company’s branch share registrar in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the special general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the special general meeting or any adjournment thereof should you so wish.

** for identification purpose only*

18 August 2008

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Board”	the board of Directors
“Company”	Amax Entertainment Holdings Limited (formerly known as A-Max Holdings Limited), a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Stock Exchange
“Companies Act”	the Companies Act 1981 of Bermuda
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“SGM”	the special general meeting of the Company to be convened and held to consider and, if appropriate, to approve the Share Premium Cancellation
“Share(s)”	ordinary share(s) with a nominal value of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Share Premium Cancellation”	the reorganisation of the share capital structure of the Company by way of cancellation of the entire amount standing to the credit of the share premium account of the Company as at 31 March 2008 and applying the credit arising therefrom towards elimination of all the accumulated losses of the Company as at 31 March 2008, as disclosed in this circular
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawfully currency of Hong Kong

LETTER FROM THE BOARD



Amax Entertainment Holdings Limited

澳瑪娛樂控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 959)

Executive Directors:

Mr. Cheung Nam Chung, Brian
Mr. Chan Ying Tat, Ted
Mr. Chan Chi Yuen
Mr. Lam Cheok Va, Francis
Ms. Li Wing Sze

Independent non-executive Directors:

Mr. Chan Chiu Hung, Alex
Mr. Lee Tsz Hong
Mr. Ng Wai Hung

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Principal places of business
in Hong Kong:*

2701 Vicwood Plaza
199 Des Voeux Road Central
Hong Kong

18 August 2008

To the Shareholders

Dear Sir or Madam,

PROPOSED SHARE PREMIUM CANCELLATION

INTRODUCTION

Reference is made to the announcement of the Company dated 4 August 2008 in respect of the proposed Share Premium Cancellation. The purpose of this circular is to provide you with details of the proposed Share Premium Cancellation and to give you the notice of SGM to be convened.

PROPOSED SHARE PREMIUM CANCELLATION

The Company proposes to effect the Share Premium Cancellation by way of cancellation of the entire amount standing to the credit of the share premium account of the Company and applying the credit arising therefrom towards elimination of all the accumulated losses of the Company. As at the date of 31 March 2008, the amount standing to the credit of the share premium account of the Company was HK\$3,768,398,966 and the amount of previous accumulated losses was HK\$1,548,489,821.

** for identification purpose only*

LETTER FROM THE BOARD

Pursuant to the Share Premium Cancellation, it is proposed that the entire amount standing to the share premium account of the Company as at 31 March 2008 be cancelled, with part of the credit arising therefrom being applied towards the elimination of accumulated losses of the Company as at 31 March 2008 and the remaining balance in the amount of HK\$2,219,909,145 being credited to the contributed surplus account of the Company. Upon the Share Premium Cancellation becoming effective, all the previous accumulated losses of the Company as at 31 March 2008 will be eliminated.

The Share Premium Cancellation does not involve any reduction in the authorised or issued share capital of the Company nor does it involve any reduction in nominal value of the Shares or trading arrangements in respect of the Shares. Other than the necessary expenses to be incurred in relation to the implementation of the Share Premium Cancellation, the Board considers that the implementation will not affect the underlying assets, business operations, management or financial position of the Company.

CONDITIONS

The Share Premium Cancellation is conditional upon:

- (a) the passing of a special resolution by the Shareholders at the SGM to approve the Share Premium Cancellation and the transactions contemplated thereunder; and
- (b) compliance by the Company with the requirements of section 46(2) of the Companies Act.

Subject to fulfillment of the conditions set out above, the Share Premium Cancellation is expected to become effective on the date of passing the special resolution by the Shareholders at the SGM to approve the Share Premium Cancellation.

REASONS FOR THE SHARE PREMIUM CANCELLATION

The accumulated losses as shown in the latest audited financial statements of the Company for the year ended 31 March 2008 amounted to HK\$1,548,489,821. Upon the Share Premium Cancellation becoming effective, all the previous accumulated losses of the Company will be eliminated and the Company will have the flexibility to declare dividends to the Shareholders from future profits of the Company. As such, the Directors consider that the Share Premium Cancellation is in the interests of the Company and the Shareholders as a whole.

As at the date of this circular, the Company has not yet declared any future dividends. Even in circumstances where the Share Premium Cancellation becomes effective, there can be no assurance that a dividend will be declared or paid in future.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this document and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

PROCEDURES FOR DEMANDING A POLL

At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is required under the Listing Rules or any other applicable laws, rules or regulations or unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the chairman of the meeting; or
- (b) by at least three Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (c) by any Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or
- (d) by any Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and holding Shares in the company conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right.

A demand by a person as proxy for a Shareholder or in the case of a Shareholder being a corporation by its duly authorised representative shall be deemed to be the same as a demand by the Shareholder.

SGM

A notice of SGM convening the SGM at which resolution will be proposed to the Shareholders to consider and, if thought fit, to approve the proposed Share Premium Cancellation is set out on pages 6 to 7 of this circular.

To the best knowledge of the Directors, no Shareholders have a material interest in the Share Premium Cancellation and accordingly, no Shareholders will have to abstain from voting at the SGM.

LETTER FROM THE BOARD

Whether or not you intend to attend the SGM, you are requested to complete and return the form of proxy accompanying with this circular in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the SGM or any adjournment thereof in person if you so wish.

RECOMMENDATION

The Directors consider that the Share Premium Cancellation is in the interests of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of the relevant special resolution at the SGM.

By order of the Board
Amax Entertainment Holdings Limited
Cheung Nam Chung, Brian
Chairman

NOTICE OF SGM



Amax Entertainment Holdings Limited

澳瑪娛樂控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 959)

NOTICE IS HEREBY GIVEN that a special general meeting (the “**Meeting**”) of Amax Entertainment Holdings Limited (the “**Company**”) will be held at Strategic Financial Relations Limited, Room 3203, 32nd Floor, Admiralty Centre I, 18 Harcourt Road, Hong Kong on Friday, 19 September 2008 at 3:00 p.m. for the purpose of considering and, if thought fit, passing the following resolution with or without amendments as a special resolution of the Company:

SPECIAL RESOLUTION

“**THAT:**

- (a) subject to compliance with section 46(2) of the Companies Act 1981 of Bermuda and with effect from the date of passing this special resolution, the entire amount standing to the credit of the share premium account of the Company as at 31 March 2008 in the sum of HK\$3,768,398,966 be cancelled and the directors (the “**Directors**”) of the Company be and are hereby authorised to apply part of the credit arising from the share premium cancellation to eliminate in full accumulated losses of the Company as at 31 March 2008 and the remaining balance of the credit arising therefrom be credited to the contributed surplus account of the Company (the “**Share Premium Cancellation**”); and
- (b) the Directors be and are hereby authorised to do all such acts and things and execute all documents which they consider necessary, desirable or expedient for the implementation of and giving effect of the Share Premium Cancellation and the transactions contemplated thereunder.”

By order of the Board
Amax Entertainment Holdings Limited
Cheung Nam Chung, Brian
Chairman

Hong Kong, 18 August 2008

* for identification purpose only

NOTICE OF SGM

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head office and principal place of business

in Hong Kong:
2701 Vicwood Plaza
199 Des Voeux Road Central
Hong Kong

Notes:

1. Any member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and, in the event of a poll, vote in his/her stead. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy must be duly lodged at the Company's branch registrar in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong together with a power of attorney or other authority, if any, under which it is duly signed or a notarially certified copy of that power of attorney or authority, not less than 48 hours before the time for holding the meeting or any adjourned meeting.
3. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the above meeting or any adjournment thereof, should he so wish, and in such event, the form of proxy shall be deemed to be revoked.