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Amax Entertainment Holdings Limited

澳瑪娛樂控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 959)

(1) SUBSCRIPTION OF SHARES;

AND

(2) APPOINTMENT AND RESIGNATION OF DIRECTORS

(1) Subscription of Shares

Reference is made to the announcement and the circular of the Company dated 8 November 2005 and 17 February 2006 respectively.

On 8 November 2005, the Company and the Subscriber entered into the Share Purchase Agreement pursuant to which the Company has agreed to purchase and the Subscriber has agreed to sell a total of 724 shares of MOP1,000 each in the capital of Greek Mythology (representing 30% of the issued share capital of Greek Mythology) at a consideration of HK\$2,056,572,380. Completion of the Share Purchase Agreement took place on 28 March 2006. In accordance with the terms of the Share Purchase Agreement, the above consideration was satisfied in part as to HK\$1,454,722,107 by the issue of the Promissory Note.

On 20 March 2009, the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Company has conditionally agreed to allot and issue 1,000,000,000 new Shares each in cash at a subscription price of approximately HK\$0.40 per Share to the Subscriber.

As at the date of the Subscription Agreement, the outstanding sum under the Promissory Note amounted to HK\$1,454,722,107. The Promissory Note has a term of 10 years, is interest-free and unsecured. The subscription price payable by the Subscriber under the Subscription Agreement will be satisfied by the Subscriber setting off against the face value of the Promissory Note in the sum of HK\$400,000,000.

The Subscription Shares represent approximately 37.61% of the existing issued share capital of the Company and approximately 27.33% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

Under the Subscription Agreement, the Subscriber has undertaken to the Company, inter alia, that so long as the Subscriber remains a Shareholder of or consultant to the Company, he will offer to the Company the first right of refusal for all and any of the investments opportunities relating to gaming or gaming promotion business in Macau made available to him or his associates after the date of the Subscription Agreement.

Upon Completion, the Consultancy Agreement will be entered into between the Company and the Subscriber, pursuant to which the Subscriber shall provide various business development advisory and consultancy services to the Company for an annual consultancy fee of HK\$1.

In addition, under the Subscription Agreement, the Subscriber has undertaken and guaranteed to the Company that the Bad Debt Provision of AMA for the First Relevant Period, the Second Relevant Period and the Third Relevant Period shall not exceed HK\$50,000,000, HK\$50,000,000 and HK\$50,000,000 respectively. Should the Bad Debt Provision exceed the amount as guaranteed by the Subscriber, such excess shall be set off against the face value of the Promissory Note up to the maximum amount of HK\$600,000,000, HK\$300,000,000 and HK\$150,000,000 for the First Relevant Period, the Second Relevant Period and the Third Relevant Period respectively according to the formula as set out in the section headed “Provision for bad or doubtful debts of AMA” in this announcement.

A circular containing, among other things, further details of the Subscription together with the notice of the SGM will be despatched to the Shareholders as soon as practicable in accordance with the requirements under the Listing Rules.

(2) Appointment and resignation of Directors

The Board is pleased to announce that Mr. Huang Xiang Rong has been appointed as an executive Director and Mr. Cheng Kai Tai, Allen has been appointed as an independent non-executive Director with effect from 20 March 2009. The Board also announces that Mr. Lam Cheok Va, Francis has resigned from his position as an executive Director and Mr. Kou Hoi In has resigned from his position as an independent non-executive Director with effect from 20 March 2009.

SUBSCRIPTION

Reference is made to the announcement and the circular of the Company dated 8 November 2005 and 17 February 2006 respectively.

On 8 November 2005, the Company and the Subscriber entered into the Share Purchase Agreement pursuant to which the Company has agreed to purchase and the Subscriber has agreed to sell a total of 724 shares of MOP1,000 each in the capital of Greek Mythology (representing 30% of the issued share capital of Greek Mythology) at a consideration of HK\$2,056,572,380. Completion of the Share Purchase Agreement took place on 28 March 2006. In accordance with the terms of the Share Purchase Agreement, the above consideration was satisfied in part as to HK\$1,454,722,107 by the issue of the Promissory Note.

On 20 March 2009, the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Company has conditionally agreed to allot and issue 1,000,000,000 new Shares of an aggregate nominal value of HK\$10 million at a subscription price of HK\$0.40 per Share to the Subscriber.

The Subscriber is a merchant engaged primarily in the gaming, entertainment, transportation and hotel industries. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for the Subscriber is beneficially interested in 6,147,335 Shares and a controlling shareholder of Greek Mythology, an associate of the Company, each of the Subscriber and his respective associates is a third party independent of the Company and its connected persons (as defined in the Listing Rules).

As at the date of the Subscription Agreement, the outstanding sum under the Promissory Note amounted to HK\$1,454,722,107. The subscription price payable by the Subscriber under the Subscription Agreement will be satisfied by the Subscriber setting off against the face value of the Promissory Note in the sum of HK\$400,000,000.

The Subscription Shares represent approximately 37.61% of the existing issued share capital of the Company and approximately 27.33% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

Subscription Price

The subscription price of approximately HK\$0.40 per Subscription Share represents:

- (a) a premium of about 153.16% over the closing price of HK\$0.158 per Share as quoted on the Stock Exchange on 20 March 2009, being the last trading day prior to the publication of this announcement;
- (b) a premium of about 148.76% over the average of the closing prices of approximately HK\$0.1608 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 19 March 2009;

- (c) a premium of approximately 154.13% over the average of the closing prices of approximately HK\$0.1574 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including 19 March; and

The subscription price was arrived at after arm's length negotiations between the Company and the Subscriber. The Directors (including the independent non-executive Directors) consider that the subscription price (including the premium over the closing prices and the discount to the net tangible asset value as shown above) and the terms of the Subscription and the Subscription Agreement are fair and reasonable and are in the interests of the Shareholders as a whole.

Rights

The Subscription Shares, when issued and allotted, will rank equally in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Subscription Shares.

Mandate to issue Subscription Shares

The Subscription Shares shall be allotted and issued pursuant to a special mandate to be sought at the SGM. The SGM will be convened and held to consider and, if thought fit, to approve, among other things, the Subscription including but not limited to the allotment and issue of the Subscription Shares to the Subscriber by way of poll.

Conditions of the Subscription

The Subscription is conditional upon the following conditions having been fulfilled:

- (a) the passing of the necessary resolution by the Independent Shareholders at the SGM to approve the Subscription Agreement and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Subscription Shares);
- (b) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Subscription Shares;
- (c) the Shares remaining listed and traded on the Stock Exchange at all times from the date of this Agreement and up to the date of fulfilment (“**Fulfilment Date**”) of the last in time to be fulfilled of the other conditions precedent (other than this condition), save for (i) any suspension not exceeding 15 consecutive trading days of the Stock Exchange for whatever cause or (ii) any suspension in connection with the clearance of the Announcement or any other announcements or circulars in connection with the Subscription or (iii) any suspension that may be ordered or imposed by any competent authority on any ground or for any reason due to any action or omission by the Subscriber, and no indication being received on or

before the Fulfilment Date from the SFC and/or the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange will or may be withdrawn or objected to as a result of Completion or in connection with the terms of this Agreement;

- (d) (if so required) the Bermuda Monetary Authority granting permission for the allotment and issue of the Subscription Shares;
- (e) the warranties given by the Company under the Subscription Agreement remaining true and accurate in all material respects; and
- (f) all necessary consents and approvals as may be required in respect of this Agreement and the transactions contemplated hereunder having been obtained by the Company and the Subscriber.

If the conditions precedent shall not have been fulfilled in full on or before 5:00 p.m. on the Longstop Date, all rights, obligations and liabilities of the parties to the Subscription Agreement in relation to the Subscription shall cease and terminate and none of the parties hereto shall have any claim against any other in respect of the Subscription save for any antecedent breaches of the Subscription Agreement.

The Subscriber shall use all reasonable endeavours to procure the fulfillment of the conditions precedent (f) at its own costs and expenses by not later than the Longstop Date. The Company shall use all reasonable endeavours to procure that the conditions precedent (a), (b), (c), (d), (e) and (f) are satisfied not later than the Longstop Date and no party to the Subscription Agreement is entitled to withdraw from the Subscription Agreement before the Longstop Date unless any of such conditions becomes incapable of fulfilment.

The conditions of the Subscription Agreement cannot be waived by the parties to the Subscription Agreement.

Completion

Completion will take place on the date falling on the second Business Day after the fulfillment of the conditions precedent as mentioned in the section headed “Conditions of the Subscription” or such later date as to parties to the Subscription Agreement may agree.

Undertakings by the Subscriber

In the Subscription Agreement, the Subscriber has undertaken, warranted and represented to the Company that:

- (a) subject to compliance with all applicable laws and regulations (including but not limited to the Listing Rules), in the event that the Company recommends to the Shareholders a fixed dividend or distribution policy of the Company whereby the dividends (including interim, final and special dividends) to be declared, paid or made for a particular financial year of the Company shall be not less than 20% and not more than 30% of the Net Profit for such financial year, he will cast all the votes in relation to the Shares held by him for the time being in favour of the resolution to be proposed at the general meeting of the Company sanctioning such dividend policy;
- (b) so long as he remains a Shareholder of or consultant to, the Company, he will offer to the Company the first right of refusal for all and any of the investments opportunities relating to gaming or gaming promotion business in Macau made available to him or his associates after the date of the Subscription Agreement; and
- (c) subject to compliance with all applicable laws and regulations (including but not limited to the Listing Rules), in the event that the Company proposes to the Shareholders a proposal sanctioning the repurchase by the Company of Shares not exceeding 10% of the issued Shares at the time of the general meeting sanctioning such repurchase proposal, he will cast all the votes in relation to the Shares held by him for the time being in favour of the resolution to be proposed at the general meeting of the Company sanctioning such proposal.

Consultancy Agreement

Upon Completion, the Consultancy Agreement shall be entered into between the Company and the Subscriber, pursuant to which the Subscriber shall provide various business development advisory and consultancy services to the Company, including, inter alia, the provision of all necessary assistance to the Group in managing and developing the existing investments of the Group in the gaming or gaming promotion business in Macau and in exploring and evaluating all future potential investments of the Group in the gaming or gaming promotion business in Macau, for an annual consultancy fee of HK\$1 which shall be payable by the Company forthwith upon signing of the Consultancy Agreement.

The Consultancy Agreement shall be valid for an initial term of one year commencing from 20 March 2009, and shall be renewable automatically for successive terms of one year each commencing from the day next after the expiry of the then current term of the appointment of the Subscriber as consultant, unless terminated by not less than three months' notice in writing served by either party to the Consultancy Agreement expiring at the end of the initial term or at any time thereafter.

Provision for bad or doubtful debts of AMA

AMA is the holder of a junket license to carry out the junket business in Macau. On 10 September 2007, the First Profit Transfer Agreement was entered into between Ace High and AMA relating to (i) Ace High's provision for an indefinite term of all the operating capital of AMA to develop the junket business in Macau; and (ii) AMA's transfer to Ace High of all the profits which will be generated by AMA from the junket business in Macau. Also, as an incentive for Mr. Francisco Xavier Albino to carry out the junket business in a prudent and efficient manner, Ace High and Mr. Francisco Xavier Albino have entered into the Second Profit Transfer Agreement whereby 20% of the profits received by Ace High under the First Profit Transfer Agreement to Mr. Francisco Xavier Albino or company nominated by him. Accordingly, only 80% of the profits will ultimately be retained by Ace High.

The Subscriber is the business consultant of AMA. To secure the Company's interest under the First Profit Transfer Agreement, in the Subscription Agreement, the Subscriber has irrevocably undertaken and guaranteed to the Company that the Bad Debt Provisions of AMA as shown in the audited financial statements for the year ending 31 March 2009 (the "**First Relevant Period**") shall not be more than HK\$50,000,000 (the "**2009 Guaranteed Amount**").

If the actual Bad Debt Provision of AMA as shown in its audited financial statements for the year ending 31 March 2009 shall be more than the 2009 Guaranteed Amount, the excess amount by which then actual Bad Debt Provision exceeds the 2009 Guaranteed Amount shall be set off against such amount of the face value of the Promissory Note calculated in accordance with following formula:

$$N = E \times 80\%$$

Where N = the amount of the face value of the Promissory Note to be set off provided that N shall not exceed HK\$600,000,000

E = the excess amount by which the actual Bad Debt Provision exceeds the 2009 Guaranteed Amount

The Subscriber has also irrevocably undertaken and guaranteed to the Company that the Bad Debt Provision of AMA as shown in its audited financial statements for the year ending 31 March 2010 shall not be more than HK\$50,000,000 (the "**2010 Guaranteed Amount**").

If the actual Bad Debt Provision of AMA as shown in its audited financial statements for the year ending 31 March 2010 shall be more than the 2010 Guaranteed Amount, the excess amount by which then actual Bad Debt Provision exceeds the 2010 Guaranteed Amount shall be set off against such amount of the face value of the Promissory Note calculated in accordance with following formula:

$$N = E \times 80\%$$

Where N = the amount of the face value of the Promissory Note to be set off provided that N shall not exceed HK\$300,000,000

E = the excess amount by which the actual Bad Debt Provision exceeds the 2010 Guaranteed Amount

The Subscriber has irrevocably undertaken and guaranteed to the Company that the Bad Debt Provision of AMA as shown in its audited financial statements for the year ending 31 March 2011 shall not be more than HK\$50,000,000 (the “**2011 Guaranteed Amount**”).

If the actual Bad Debt Provision as shown in its audited financial statements made up for the year ending 31 March 2011 shall be more than the 2011 Guaranteed Amount, the excess amount by which then actual Bad Debt Provision exceeds the 2011 Guaranteed Amount shall be set off against such amount of the face value of the Promissory Note calculated in accordance with following formula:

$$N = E \times 80\%$$

Where N = the amount of the face value of the Promissory Note to be set off provided that N shall not exceed HK\$150,000,000

E = the excess amount by which the actual Bad Debt Provision exceeds the 2011 Guaranteed Amount

If the amount of the Net Profit of the Company for the year ending 31 March 2010 exceeds the amount of the Net Profit of the Company for the year ending 31 March 2009, the cap of the amount to be set off against the face value of the Promissory Note of HK\$300,000,000 as mentioned above shall be reduced by the amount of the excess by which the Net Profit of the Company for the year ending 31 March 2010 exceeds the amount of the Net Profit of the Company for the year ending 31 March 2009.

If the amount of the Net Profit of the Company for the year ending 31 March 2011 exceeds the amount of the Net Profit of the Company for the year ending 31 March 2010, the cap of the amount to be set off against the face value of the Promissory Note of HK\$150,000,000 as mentioned in the formula set out in the paragraph relating to the

2011 Guaranteed Amount above shall be reduced by the amount of the excess by which the Net Profit of the Company for the year ending 31 March 2011 exceeds the amount of the Net Profit of the Company for the year ending 31 March 2010.

Pursuant to the Loan Agreement, the books of account and all other records of AMA (including the monthly junket representative settlement forms signed off by the casinos from time to time) shall be available to the Company or its duly authorized representatives for examination, audit, inspection and transcription without any restriction. As such, the Company will be fully aware of the financial and business positions of AMA.

Non-disposal undertaking

In the Subscription Agreement, the Subscriber has undertaken to and covenanted with the Company that he will not, and will procure that none of his associates (as defined in the Listing Rules) will, within a period commencing from the Completion Date to 31 December 2009 (the “**First Lock-up Period**”), dispose of (including without limitation by the creation of any option, charge or other encumbrance or rights over or in respect of) more than 200,000,000 Subscription Shares or any interests therein owned by him or in which he is, directly or indirectly, interested immediately after Completion or dispose of (including without limitation by the creation of any option, charge or other encumbrance or rights over or in respect of) any shares in any company controlled by him which is the beneficial owner of such Subscription Shares and in respect of any disposal after the First Lock-up Period, the Subscriber shall take all reasonable steps to ensure no false or disorderly market will arise as a result of such disposal.

The Subscriber has undertaken to and covenanted with the Company that he will not, and will procure that none of his associates (as defined in the Listing Rules) will, within a period commencing from the Completion Date to 31 December 2010 (the “**Second Lock-up Period**”), dispose of (including without limitation by the creation of any option, charge or other encumbrance or rights over or in respect of) more than 400,000,000 Subscription Shares or any interests therein owned by him or in which he is, directly or indirectly, interested immediately after Completion or dispose of (including without limitation by the creation of any option, charge or other encumbrance or rights over or in respect of) any shares in any company controlled by him which is the beneficial owner of such Subscription Shares and in respect of any disposal after the Second Lock-up Period, the Subscriber shall take all reasonable steps to ensure no false or disorderly market will arise as a result of such disposal.

The Subscriber has undertaken to and covenanted with the Company that he will not, and will procure that none of his associates (as defined in the Listing Rules) will, within a period commencing from the Completion Date to 31 December 2011 (the “**Third Lock-up Period**”), dispose of (including without limitation by the creation of any option, charge or other encumbrance or rights over or in respect of) more than 700,000,000 Subscription Shares or any interests therein owned by him or in which

he is, directly or indirectly, interested immediately after Completion or dispose of (including without limitation by the creation of any option, charge or other encumbrance or rights over or in respect of) any shares in any company controlled by him which is the beneficial owner of such Subscription Shares and in respect of any disposal after the Third Lock-up Period, the Subscriber shall take all reasonable steps to ensure no false or disorderly market will arise as a result of such disposal.

Changes of shareholding

The shareholding structure of the Company (i) as at the date of this announcement and immediately before Completion; and (ii) immediately after Completion are as follows:

Name of Shareholders	At the date of this announcement and immediately before Completion		Immediately after Completion	
	Number of Shares	Approximate percentage of shareholding	Number of Shares	Approximate percentage of shareholding
The Subscriber	–	–	1,000,000,000	27.33%
Janus Capital Management LLC (Note 1)	341,529,194	12.84%	341,529,194	9.33%
Farringdon Capital Management Switzerland SA (Note 2)	248,500,000	9.35%	248,500,000	6.79%
Consolidated Press Holdings Limited (Note 3)	189,520,000	7.13%	189,520,000	5.18%
Public Shareholders	1,879,340,534	70.68%	1,879,340,534	51.37%
Total	<u>2,658,889,728</u>	<u>100%</u>	<u>3,658,889,728</u>	<u>100%</u>

Notes:

1. Janus Capital Management LLC is the investment management company which is owned by Janus Capital Group Inc., a company with its issued shares listed on the New York Stock Exchange (NYSE).
2. Farringdon Capital Management Switzerland SA is the investment management company which is owned as to 50% by Mr. Andreas Tholstrup and as to 50% by Mr. Bram Cornelisse.
3. Consolidated Press Holdings Limited is a company incorporated in Australia which is interested in the entire issued share capital of Consolidated Gaming Pty Ltd., and is therefore deemed to be interested in the 189,520,000 Shares held by Consolidated Gaming Pty Ltd.

Reasons for the Subscription

The Group is engaged in the gaming and entertainment business in Macau.

As the Subscription Price payable by the Subscriber will be satisfied by setting off against the face value of the Promissory Note, the Subscription would help reduce the indebtedness and finance costs of the Company and thus improve the financial performance of the Group.

The Directors (including the independent non-executive Directors) consider that the Subscription Agreement are entered into upon normal commercial terms following arm's length negotiations between the parties to the Subscription Agreement and that the terms of the Subscription Agreement and the Subscription are fair and reasonable and are in the interests of the Shareholders as a whole.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any other fund raising activities in the past twelve months before the date of this announcement.

SGM

The SGM will be convened and held to consider and, if thought fit, to approve, among other things, the Subscription and the allotment and issue of the Subscription Shares by way of a poll. **The Subscriber and his associates will abstain from voting in respect of resolutions approving the Subscription and the allotment and issue of the Subscription Shares due to their interests in the Subscription.**

IMPLICATIONS UNDER THE LISTING RULES

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

A circular containing, among other things, further details of the Subscription together with the notice of the SGM will be despatched to the Shareholders as soon as practicable in accordance with the requirements under the Listing Rules.

APPOINTMENT OF DIRECTOR

Mr. Huang Xiang Rong

Mr. Huang Xiang Rong ("**Mr. Huang**"), aged 56, has been appointed as executive Director and deputy chairman with effect from 20 March 2009. Mr. Huang graduated from Guangzhou Institute of Foreign Language (currently known as Guangdong University of Foreign Studies). In the late 80s, Mr. Huang took a systematic training of financing, banking and international finance in Hong Kong. He has over 20 year's senior management experience in a scalable financial institution. In the 90's, Mr. Huang worked as Deputy General Manager and Financial Controller in a financial institution, under the umbrella of a Hong Kong listed group and responsible for risk management and financial management. Other than the present appointment, Mr. Huang did not hold any directorship in any other listed companies over the last three years.

Mr. Huang has entered into a service contract with the Company with an initial term of one year and renewable automatically for successive term of one year. Mr. Huang's appointment is subject to rotation, retirement and re-election by the Shareholders of the Company pursuant to the bye-laws of the Company. He is entitled to an annual emolument of HK\$858,000 which is determined by the Board with reference to his duties and responsibilities with the Company.

Save as disclosed above, Mr. Huang does not have any relationships with other Directors, senior management, substantial or controlling Shareholders, nor any interests in the shares of the Company within the meaning of Part XV of the SFO.

There is no information relating to Mr. Huang that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Mr. Cheng Kai Tai, Allen

Mr. Cheng Kai Tai, Allen ("**Mr. Cheng**"), aged 45, has been appointed as independent non-executive Director and a member of the audit committee with effect from 20 March 2009. Mr. Cheng is a qualified accountant and a fellow of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. He has practised as a Certified Public Accountant in Hong Kong for over 12 years. Mr. Cheng has extensive professional experience in audit, taxation, financial management, corporate recovery and restructuring. He holds a Master degree of accountancy in Jinan University in Mainland China, and is now acting as a consultant of a number of international companies with business interests in textile, retailing, metal trading and manufacturing in Mainland China. Other than the present appointment, Mr. Cheng currently serves as an independent non-executive director of Modern Beauty Salon Holdings Limited (stock code: 919) and Lo's Enviro-Pro Holdings Limited (stock code: 309), both companies are listed on the main board of the Stock Exchange.

Mr. Cheng is appointed by way of a letter of appointment with an initial term of one year and renewable automatically for successive term of one year. Mr. Cheng's appointment is subject to rotation, retirement and re-election by the Shareholders of the Company pursuant to the bye-laws of the Company. He is entitled to an annual emolument of HK\$120,000 which is determined by the Board with reference to his duties and responsibilities with the Company.

Save as disclosed above, Mr. Cheng does not have any relationships with other Directors, senior management, substantial or controlling Shareholders, nor any interests in the shares of the Company within the meaning of Part XV of the SFO.

There is no information relating to Mr. Cheung that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

RESIGNATION OF DIRECTOR

Mr. Lam Cheok Va, Francis (“**Mr. Lam**”) has resigned as executive Director due to his personal commitments with effect from 20 March 2009. He has confirmed that he has no disagreement with the Board and there is no matter that needs to be brought to the attention of the Shareholders in relation to his resignation.

Mr. Kou Hoi In (“**Mr. Kou**”) has resigned as independent non-executive Director and members of audit committee due to his pursuit of other business opportunities with effect from 20 March 2009. He has confirmed that he has no disagreement with the Board and there is no matter that needs to be brought to the attention of the Shareholders in relation to his resignation.

The Board would like to take this opportunity to express its appreciation to Mr. Lam and Mr. Kou for their invaluable contributions to the Group during their period of service.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“Ace High”	Ace High Group Limited, a company incorporated in the British Virgin Islands and is a 99.99% owned subsidiary of the Company
“AMA”	AMA International Limited, a company incorporated in Macau with the equity interest in which owned by Ms. Chen Mai Huan and Mr. Francisco Xavier Albino as to 96% and 4% respectively
“associates”	has the meaning ascribed thereto in the Listing Rules
“Bad Debt Provision”	the provision of bad and doubtful debts of AMA as shown in its audited financial statements
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	Amax Entertainment Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange

“Completion”	completion of the Subscription pursuant to the Subscription Agreements
“Completion Date”	the date falling on the second Business Day after the fulfillment of the conditions precedent or such latter date as to parties to the Subscription Agreement may agree
“Consultancy Agreement”	the consultancy agreement to be entered into between the Company and the Subscriber pursuant to which the Subscriber shall provide various business development advisory and consultancy services to the Company for an annual consultancy fee of HK\$1
“Directors”	directors (including the independent non-executive directors) of the Company
“First Profit Transfer Agreement”	the First Profit Transfer Agreement dated 10 September 2007 and made between Ace High and AMA relating to (i) Ace High’s provision for an indefinite term of all the operating capital of AMA to develop the junket business in Macau; and (ii) AMA’s transfer to Ace High of the profits which will be generated by AMA from the junket business in Macau, details of which may also be found in the announcement of the Company dated 10 September 2007
“Greek Mythology”	Greek Mythology (Macau) Entertainment Group Corporation Limited, a company incorporated in Macau and an associate of the Company which is owned as to 49.9% and 30.1% by the Company and the Subscriber respectively
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Shareholders”	Shareholders other than the Subscriber and his associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Loan Agreement”	the loan agreement dated 23 August 2007 entered into between the Company and Ace High relating to the loan facility in the amount of up to HK\$3 billion to be granted by the Company to Ace High, whereby the Company had capitalised the principal amount of the loan on 11 February 2008 for an allotment and issue of new shares equivalent to 99.99% of the share capital of Ace High
“Long Stop Date”	30 September 2009 or such other date as the parties to the Loan Agreement may agree in writing
“Macau”	the Macau Special Administrative Region of the People’s Republic of China
“MOP”	Macau pataca, the lawful currency for the time being of Macau
“Net Profit”	in relation to a particular financial year, the net profit attributable to the Shareholders as shown in its audited financial statements made up for such financial year
“Promissory Note”	the promissory note dated 28 March 2006 issued by the Company to the Subscriber pursuant to the Share Purchase Agreement with a face value of HK\$1,454,722,107 and has a term of 10 years, is interest free and unsecured
“Second Profit Transfer Agreement”	the profit transfer agreement made between Ace High and Mr. Francisco Xavier Albino relating to the transfer of 20% of the profits received by Ace High under the First Profit Transfer Agreement to Mr. Francisco Xavier Albino or company nominated by him
“SFO”	the Securities and Futures Ordinance, Cap. 571 of the Laws of Hong Kong
“SGM”	the special general meeting of the Company to be convened and held to consider and, if thought fit, to approve, among other things, the Subscription and the transactions contemplated thereunder, including but not limited to the allotment and issue of the Subscription Shares

“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Purchase Agreement”	the share purchase agreement dated 8 November 2005 entered into between the Company and the Subscriber in respect of the acquisition of shares in the capital of Greek Mythology
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Mr. Ng Man Sun
“Subscription”	the subscription of the Subscription Shares at HK\$0.4 per Subscription Share by the Subscriber under the Subscription Agreement, by setting off against the fair value of the Promissory Note
“Subscription Agreement”	the subscription agreement dated 20 March 2009 and entered into between the Company and the Subscriber in respect of the Subscription
“Subscription Shares”	1,000,000,000 new Share to be subscribed by the Subscriber pursuant to the Subscription Agreement
“HK\$”	Hong Kong dollars, the lawful currency for the time being of Hong Kong
“%”	per cent.

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

Hong Kong, 20 March 2009

As at the date of this announcement, the board of Directors comprises Mr. Cheung Nam Chung, Mr. Huang Xiang Rong and Ms. Li Wing Sze being the executive Directors, Mr. Hau Chi Kit being the non-executive Director and Attorney Lorna Patajo Kapunan, Mr. Chan Chiu Hung, Alex and Mr. Cheng Kai Tai, Allen being the independent non-executive Directors.

* *For identification purpose only*