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

If you have sold or transferred all your shares in Amax Entertainment Holdings Limited, you should at once hand this circular together with the enclosed 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.

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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)

SUBSCRIPTION OF SHARES AND NOTICE OF SPECIAL GENERAL MEETING

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 at 3:00 p.m. on Monday, 11 May 2009 is set out on pages 20 to 21 of this circular. A form of proxy for use at the special general meeting is enclosed with this circular. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited at www.hkex.com.hk.

Whether or not you are able to attend the special general meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and deposit the same at the offices of the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of 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

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DEFINITIONS

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

“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
“connected person”	has the meaning ascribed to this term under the Listing Rules
“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 Agreement
“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

DEFINITIONS

“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
“Latest Practicable Date”	6 April 2009, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“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
“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 Notes”	the promissory notes 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

DEFINITIONS

“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 of Hong Kong for the time being
“MOP”	Macau pataca, the lawful currency of Macau for the time being
“%”	per cent.

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

Mr. Huang Xiang Rong

Ms. Li Wing Sze

Registered Office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Non-executive Director:

Mr. Leung Kin Cheung, Laurent

Principal place of business and head office

in Hong Kong:

Independent non-executive Directors:

Attorney Lorna Patajo Kapunan

Mr. Chan Chiu Hung, Alex

Mr. Cheng Kai Tai, Allen

Mr. Fang Ang Zheng

2701 Vicwood Plaza

199 Des Voeux Road Central

Hong Kong

6 April 2009

To the Shareholders

Dear Sir or Madam,

SUBSCRIPTION OF SHARES AND NOTICE OF SPECIAL GENERAL MEETING

INTRODUCTION

Reference is made to the announcement of the Company dated 20 March 2009 in relation to the proposed Subscription of 1,000,000,000 new Shares. The purpose of this circular is to provide you with (i) further details in respect of the proposed Subscription and (ii) the notice convening the SGM.

SUBSCRIPTION OF SHARES

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

* For identification purpose only

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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 Notes.

SUBSCRIPTION AGREEMENT

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 at the date of the Subscription Agreement, the outstanding sum under the Promissory Notes 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 Notes 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 27.50% 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 date of the Subscription Agreement;
- (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 2009; and

LETTER FROM THE BOARD

- (d) a premium of approximately 131.21% over the closing price of HK\$0.173 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

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 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 specific 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 the Subscription 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 the Subscription Agreement;
- (d) (if so required) the Bermuda Monetary Authority granting permission for the allotment and issue of the Subscription Shares;

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- (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 the Subscription 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

LETTER FROM THE BOARD

- (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").

LETTER FROM THE BOARD

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

LETTER FROM THE BOARD

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.

LETTER FROM THE BOARD

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 IN SHAREHOLDING

The shareholding structure of the Company (i) as at the Latest Practicable Date and immediately before Completion; and (ii) immediately after Completion are as follows:

Name of Shareholders	At the Latest Practicable Date and immediately before Completion		Immediately after Completion	
	<i>Number of Shares</i>	<i>Approximate percentage of shareholding</i>	<i>Number of Shares</i>	<i>Approximate percentage of shareholding</i>
Ng Man Sun (<i>Note 1</i>)	6,147,335	0.23%	1,006,147,335	27.50%
Janus Capital Management LLC (<i>Note 2</i>)	341,529,194	12.84%	341,529,194	9.33%
Farrington Capital Management Switzerland SA (<i>Note 3</i>)	248,500,000	9.35%	248,500,000	6.79%
Consolidated Press Holdings Limited (<i>Note 4</i>)	189,520,000	7.13%	189,520,000	5.18%
Public Shareholders	1,873,193,199	70.45%	1,873,193,199	51.20%
Total	2,658,889,728	100%	3,658,889,728	100%

LETTER FROM THE BOARD

Notes:

1. The 6,147,335 Shares is held by East Legend Holdings Limited. As the Subscriber is interested in the entire issued share capital of East Legend Holdings Limited, the Subscriber is deemed to be interested in the 6,147,335 Shares held by East Legend Holdings Limited.
2. 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).
3. 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.
4. 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 circular.

LISTING RULES IMPLICATIONS

The Subscription Shares shall be allotted and issued pursuant to a specific mandate to be sought at the SGM. Pursuant to Rule 2.15 of the Listing Rules, any Shareholder that has a material interest in the transaction or arrangement shall abstain from voting on the resolution approving the transaction or arrangement at the general meeting. Accordingly, the Subscriber and his associates will abstain from voting at the SGM for the relevant resolution approving the Subscription Agreement and matters contemplated thereby.

LETTER FROM THE BOARD

SGM

Pursuant to Rules 13.39(4) of the Listing Rules, the resolutions proposed at the SGM will be taken by way of poll. The SGM will be convened and held to consider and, if thought fit, to approve by the Independent Shareholders, among other things, the proposed Subscription.

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, you are encouraged to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it as soon as possible to the Company's Hong Kong branch share registrar, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong and in any event not later than 48 hours before the time appointed for the holding of the SGM or any adjourned meeting. Completion and return of the enclosed form of proxy will not preclude you from attending and voting in person at the SGM or any adjourned meeting should you so wish.

RECOMMENDATION

The Board considered that the proposed Subscription is fair and reasonable and in the interests of the Company and the Shareholders as a whole and accordingly recommends the Independent Shareholders to vote in favour of the relevant resolution to be proposed at the SGM.

ADDITIONAL INFORMATION

Your attention is drawn to the information set out in the appendix to this circular.

Yours faithfully,
For and on behalf of the Board
Amax Entertainment Holdings Limited
Cheung Nam Chung
Chairman

1. 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 circular 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.

2. DISCLOSURE OF INTERESTS

(a) Director's interests and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the following Directors had or was deemed to have interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules:

Name of Director	No. of Shares held	No. of underlying Shares held	Nature of interest	Approximate percentage of issued share capital
Cheung Nam Chung (Note 1)	30,000 (L)	4,500,000 (L)	Beneficial owner	0.17%
Li Wing Sze (Note 2)	Nil	5,500,000 (L)	Beneficial Owner	0.21%
Chan Chiu Hung, Alex (Note 3)	20,000 (L)	2,600,000 (L)	Beneficial owner	0.10%
Lorna Patajo Kapunan (Note 4)	Nil	2,600,000 (L)	Beneficial owner	0.10%

L: denotes long position

Notes:

1. Mr. Cheung Nam Chung is beneficially interested in 30,000 Shares and 4,500,000 share options granted to him under the share option scheme (the "Share Option Scheme") adopted by the Company on 12 August 2002, which confer rights for him to subscribe for 4,500,000 Shares at the exercise price of HK\$0.736 during the period commencing from 28 January 2007 until 27 January 2013.
2. Ms. Li Wing Sze is beneficially interested in 5,500,000 share options granted to her under the Share Option Scheme, which confer rights for her to subscribe for 5,500,000 Shares at the exercise price of HK\$0.736 during the period commencing from 28 January 2007 until 27 January 2013.
3. Mr. Chan Chiu Hung, Alex is beneficially interested in 20,000 Shares and 2,600,000 share options granted to him under the Share Option Scheme, which confer rights for him to subscribe for 2,600,000 Shares at the exercise price of HK\$0.133 during the period commencing from 20 October 2008 until 19 October 2013.
4. Attorney Lorna Patajo Kapunan is beneficially interested in 2,600,000 share options granted to her under the Share Option Scheme, which confer rights for her to subscribe for 2,600,000 Shares at the exercise price of HK\$0.133 during the period commencing from 20 October 2008 until 19 October 2013.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

(b) Persons who have an interest or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO and substantial Shareholders

So far as is known to the Directors, as at the Latest Practicable Date, the following persons (not being Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Name of Shareholder	No. of Shares held	Nature of interest	Approximate percentage of issued share capital
Janus Capital Management LLC (<i>Note 1</i>)	341,529,194 (L)	Beneficial Owner	12.84%
Farrington Capital Management Switzerland SA (<i>Note 2</i>)	248,322,000 (L)	Beneficial Owner	9.34%
UBS AG	248,322,000 (L)	Security interest in Shares	9.34%
Consolidated Press Holdings Limited (<i>Note 3</i>)	189,520,000 (L)	Beneficial Owner	7.13%

L: denotes long position

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. Farrington 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..

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying Shares (including any interests in options in respect of such capital), which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

3. MATERIAL CONTRACTS

The following contracts (not being contracts entered into the ordinary course of business carried on by the Group) have been entered into by the Group within the two years immediately preceding the date of this circular and are or may be material:

- i. the sale and purchase agreement dated 30 March 2007 entered into between Ms. Chen Mei Huan and the Company relating to the Company's acquisition of the entire issued share capital of Thousand Ocean Investments Limited at the consideration of HK\$20 million;
- ii. the rights assignment agreement dated 22 May 2007 entered into between Ms. Chen Mei Huan and Thousand Ocean Investments Limited relating to the acquisition by Thousand Ocean Investments Limited of the operation rights to 5 gaming tables at the high roller gaming area in the Greek Mythology Casino at the consideration of HK\$20 million;
- iii. the Loan Agreement;
- iv. the conditional placing agreement dated 17 October 2007 (as supplemented by the supplementary agreement entered into on 4 December 2007) entered into between the Company and CLSA Limited as placing agent in relation to the placing of an aggregate of 15,384,615,000 placing Shares at the placing price of HK\$0.13 per placing Share;
- v. the extension letters dated 21 September 2007 and 22 October 2007 respectively entered into between the Company and Ace High relating to extension of the deadline for fulfillment or waiver of the conditions precedent under the Loan Agreement;
- vi. the capitalisation notice dated 11 February 2008 executed by the Company and Ace High in relation to the capitalisation of HK\$50,000,000 of the loan granted under the Loan Agreement into 9,999 shares of US\$1.00 each in the issued share capital of Ace High, representing 99.99% of the issued share capital of Ace High Group Limited;

- vii. the First Profit Transfer Agreement (as supplemented by the supplemental agreement dated 29 April 2008) entered into between AMA and Ace High in relation to, among other matters, the provision of the operating capital of AMA by Ace High and the transfer of all the profits of AMA to Ace High;
- viii. the Second Profit Transfer Agreement dated 10 September 2007 made between Ace High and Mr. Francisco Xavier Albino in relation to, among other matters, the transfer of 20% of the profits by Ace High to Mr. Francisco Xavier Albino or his nominee;
- ix. the sale and purchase agreement dated 27 August 2008 made between the Company and Ms. Li Xianji in relation to the sale and purchase of the 1,000 shares of US\$1.00 each in the share capital of Profit Goal Holdings Limited, representing the entire issued share capital of Profit Goal Holdings Limited, at the consideration of HK\$1.00; and
- x. the Subscription Agreement.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payments of compensation (other than statutory compensation)).

5. COMPETING INTEREST

As at the Latest Practicable Date, so far as the Directors are aware of, no Directors or their respective associates had any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

6. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

7. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS

Save as disclosed, as at the Latest Practicable Date, so far as the Directors are aware of, none of themselves or the management shareholders (as defined in the Listing Rules) of the Company or their respective associates had any interest in a business which competes or may compete with the business of the Group or any other conflicts of interest with the Group.

As at the Latest Practicable Date, none of the Directors has any interest, either direct or indirect, in any assets which have been acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2008, being the date to which the latest published audited financial statements of the Company were made up.

There is no contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date in which any Director is materially interested and which is significant to the business of the Group.

8. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 March 2008, being the date to which the latest audited financial statements of the Company were made up.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the Company's registered office in Hong Kong from the date of this circular up to and including the date of the SGM:

- (a) the material contracts referred to in the paragraph headed "Material contracts" in this appendix; and
- (b) the memorandum and bye-laws of the Company.

10. SHARE CAPITAL

The authorized share capital of the Company as at the Latest Practicable Date and immediately following the allotment and issue of the Subscription Shares are as follows:

<i>Authorized</i>	<i>HK\$</i>
4,000,000,000 Shares	40,000,000.00
<i>Issued and to be issued, fully paid or credited as fully paid</i>	
2,658,889,728 Shares in issue as at the Latest Practicable Date	26,588,897.28
1,000,000,000 Subscription Shares to be allotted and issued upon Completion	10,000,000.00
3,658,889,728 Shares	36,588,897.28

11. MISCELLANEOUS

- (a) The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and the head office and principal place of business in Hong Kong is at 2701, Vicwood Plaza, 199 Des Voeux Road Central, Hong Kong.
- (b) The company secretary of the Company is Mr. Wong Lee Ping. Mr. Wong is an associate member of The Hong Kong Institute of Certified Public Accountants.

- (c) The Company's branch share registrar and transfer office in Hong Kong is Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East Wanchai, Hong Kong.
- (d) The English text of this circular prevails over its Chinese translation in case of discrepancy.

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 OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the special general 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 Monday, 11 May 2009 at 3:00 p.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolution as ordinary resolution of the Company:

ORDINARY RESOLUTION

1. **“THAT** subject to the fulfillment of the terms and conditions set out in the subscription agreement dated 20 March 2009 (the **“Subscription Agreement”**) entered into between the Company and Mr. Ng Man Sun (**“Mr. Ng”**) (a copy of the Subscription Agreement having been produced to the meeting and marked “A” and initialed by the chairman of the meeting for the purpose of identification) in respect of the subscription for 1,000,000,000 shares of HK\$0.01 each in the capital of the Company (the **“Subscription Shares”**) at a subscription price of HK\$0.40 each (the **“Subscription”**):
 - (i) the Subscription Agreement in relation to the proposed Subscription and the matters contemplated thereby be and are hereby approved, confirmed and ratified;
 - (ii) the subscription for the Subscription Shares to Mr. Ng pursuant to the Subscription Agreement be and is hereby approved and the directors of the Company (the **“Directors”**) be and are hereby authorised to allot and issue the Subscription Shares pursuant to the Subscription Agreement; and
 - (iii) the Directors be and are hereby authorised to do all such acts and things and execute all such documents, including under seal where applicable, as they consider necessary or expedient in connection with and to give effect to the proposed Subscription.”

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

Hong Kong, 6 April 2009

* For identification purpose only

NOTICE OF SGM

Notes:

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, vote in his/her/its stead. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy enclosed with the circular of the Company dated 6 April 2009 must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the offices of the Company's share registrar, Tricor Secretaries Limited of 26/F Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the meeting (or the adjourned meeting as the case may be).
3. In the case of joint holders of Shares, any one of such joint holders may vote at the SGM, either personally or by proxy, in respect of such Share as if he/she/it was solely entitled thereto, but if more than one of such joint holders are present at the SGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof.
4. All resolutions proposed at the SGM will be taken by way of a poll.