



[For immediate release]

## AMAX PROPOSES SHARE PREMIUM CANCELLATION

### *Implementation Would Provide Flexibility to Declare Dividends From Future Profits*

(Hong Kong, August 17, 2008) – **Amax Entertainment Holdings Limited (HK:0959)** (“Amax” or “the Company”) announced today that a circular in connection with the Company’s proposal to effect a Share Premium Cancellation for the purpose of canceling the entire credit amount of the Company’s share premium account will be sent to shareholders in the next few days. If shareholders approve the proposal, Amax plans to apply a portion of the resulting credit towards the elimination of all previously accumulated losses, with the remaining balance credited to the contributed surplus account of the Company. As at 31 March 2008, the share premium account of the Company was approximately HK\$3.8 billion and the amount of previously accumulated losses was approximately HK\$1.5 billion. Following a Share Premium Cancellation, approximately HK\$2.2 billion would ultimately be credited to the surplus account of the Company. The Share Premium Cancellation is subject to shareholder approval and will be voted upon at a specially convened Special General Meeting of Shareholders expected to be held on 19 September 2008.

**Mr. Ted Chan, Chief Executive Officer of Amax**, commented, “The implementation of a Share Premium Cancellation would allow our capital structure to more accurately reflect the substantial leverage we are realizing from the gaming intermediary business model we initiated in mid-December 2007. We remain confident in our ability to deliver promising results and translate our market leading VIP play into shareholder value through the inherent strength in our business model. Creating a surplus account of over HK\$2.2 billion would provide Amax with the flexibility to declare a dividend from the Company’s future profits, which the Company would consider among other uses of available capital. Our recent name change to Amax Entertainment Holdings Limited reflects our sole focus on the gaming and entertainment business in Macau.”

As at the date of this announcement, 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.

The Share Premium Cancellation does not involve any reduction in the shares authorized or issued for the Company nor does it involve any reduction in the nominal value of the shares or trading arrangements in respect of the shares. Other than nominal expenses incurred related to the implementation of the Share Premium Cancellation, the Amax’s Board of Directors believes that the implementation would not affect the underlying assets, business operations, management or financial position of the Company.

Late in 2007 Amax entered the gaming promotion business in Macau through AMA, whose business model differs from that of other junket operators in Macau. Instead of working directly with junkets and/or gaming customers, AMA aggregates the business of junket operators to whom commissions of 0.9% to 1.21% of rolling chip volume are payable.

- More -

### **About Amax Entertainment Holdings Limited**

Listed on the Main Board of the Hong Kong Stock Exchange, Amax Entertainment Holdings Limited (“Amax”) is principally engaged in gaming and entertainment business in Macau. Amax conducts its casino operation in Macau via its 49.9%-owned Greek Methodology Macau Entertainment Group Corporation Limited and late in 2007 entered into gaming promotion business in Macau via AMA International Limited (“AMA”) in which it has an indirect 80% interest. The gaming promotion operation is expected to emerge as the Company’s primary source of earnings.

- End -

### **Investor and Media Enquiries:**

#### **Amax Entertainment Holdings Limited**

Angela Wong  
Vice President, Investor Relations  
Tel: 853 8299 3933  
Email: [angelawong@amaxhldg.com](mailto:angelawong@amaxhldg.com)

Or

In the U.S.

#### **Jaffoni & Collins Incorporated**

Richard Land, Dave Jacoby  
Tel: 1 212 835 8500  
Email: [amax@jcir.com](mailto:amax@jcir.com)

In Asia

#### **Strategic Financial Relations Limited**

Mandy Go                      Tel: (852) 2864 4812  
Angela Ng                      Tel: (852) 2864 4855  
Katrina Leung                Tel: (852) 2864 4857  
   Fax: (852) 2804 2789

Email: [mandy.go@sprg.com.hk](mailto:mandy.go@sprg.com.hk)  
Email: [angela.ng@sprg.com.hk](mailto:angela.ng@sprg.com.hk)  
Email: [katrina.leung@sprg.com.hk](mailto:katrina.leung@sprg.com.hk)