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Magnum Entertainment Group Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2080)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2015

The board (the “**Board**”) of directors (the “**Directors**”) of Magnum Entertainment Group Holdings Limited (the “**Company**”) announces the consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 March 2015 together with the comparative figures for the year ended 31 March 2014 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2015

	<i>Note</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Turnover	3	154,864	159,138
Other revenue	4(b)	1,227	196
Other net (loss)/income		(33)	12
Cost of inventories sold	4(b)	(35,380)	(32,069)
Staff costs	4(a)	(35,117)	(34,662)
Depreciation and amortisation		(7,226)	(5,059)
Property rentals and related expenses		(42,199)	(33,450)
Advertising and marketing expenses		(7,032)	(15,446)
Other operating expenses		(26,272)	(20,347)
Listing expenses		–	(15,463)
Profit before taxation	4	2,832	2,850
Income tax	5	(2,936)	(3,435)
Loss and total comprehensive income for the year		<u>(104)</u>	<u>(585)</u>
Loss per share	6		
Basic and diluted		<u>(0.1) cent</u>	<u>(0.3) cent</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2015

	<i>Note</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment	7	55,302	15,235
Intangible asset		–	121
Deferred tax assets		1,366	1,983
		<u>56,668</u>	<u>17,339</u>
Current assets			
Inventories		3,339	2,872
Trade and other receivables	8	38,078	31,423
Amounts due from related parties		2,160	2,191
Tax recoverable		1,657	1,467
Pledged bank deposits		7,036	7,004
Cash at bank and in hand		98,162	136,379
		<u>150,432</u>	<u>181,336</u>
Current liability			
Trade and other payables	9	<u>40,556</u>	<u>34,203</u>
Net current assets		<u>109,876</u>	<u>147,133</u>
NET ASSETS		<u>166,544</u>	<u>164,472</u>
CAPITAL AND RESERVES			
Share capital	10	3,140	3,126
Reserves		163,404	161,346
TOTAL EQUITY		<u>166,544</u>	<u>164,472</u>

NOTES

1 GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 14 January 2013 as an exempted company with limited liability under the Companies Law (2013 Revision) (as consolidated and revised) of the Cayman Islands. The Group is principally engaged in operation of clubbing business.

Pursuant to a group reorganisation (the “**Reorganisation**”), the Company became the holding company of the Group on 15 April 2013. The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited on 23 January 2014.

2 STATEMENT OF COMPLIANCE

The consolidated annual results set out in this announcement do not constitute the Group’s consolidated financial statements for the year ended 31 March 2015 but are extracted from those financial statements.

The Group’s consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and accounting principles generally accepted in Hong Kong. The Group’s consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance, which for this financial year and the comparative period, as permitted by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), continue to be those of the predecessor Companies Ordinance (Cap. 32). The Group’s consolidated financial statements also comply with the applicable disclosure provisions of the Listing Rules.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. There have been no significant changes to the accounting policies applied in the Group’s consolidated financial statements for the years presented as a result of these developments. The Group has not applied any new or revised standard or interpretation that is not yet effective for the current accounting period.

3 TURNOVER

The principal activity of the Group is the operation of clubbing business.

Turnover represents the amount received or receivable from the sale of beverages and tobacco products, revenue from club operations (including entrance fees, cloakroom fees and event rental income) and sponsorship income.

The Group’s customer base is diversified and no individual customer had transactions which exceeded 10% of the Group’s turnover during the years ended 31 March 2015 and 2014.

The chief operating decision maker of the Group assesses the performance and allocates the resources of the Group as a whole, as all of the Group's activities are considered to be primarily dependent on the operation of clubbing business. Therefore, management considers there is only one operating segment under the requirements of HKFRS 8, Operating Segments. In this regard, no segment information is presented.

No geographic information is shown as the turnover and profit from operations of the Group are primarily derived from its activities in Hong Kong.

4 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
(a) Staff costs		
Contributions to defined contribution retirement plan	1,356	1,461
Equity settled share-based payment expenses	679	–
Salaries, wages and other benefits	<u>33,082</u>	<u>33,201</u>
	<u>35,117</u>	<u>34,662</u>
(b) Other items		
Bank interest income	(1,227)	(196)
Amortisation of intangible asset	121	294
Depreciation	7,105	4,765
Impairment losses on other receivables	605	–
Equity settled share-based payment expenses [#]	788	–
Auditors' remuneration		
– audit services	1,325	1,076
– non-audit services	388	–
Operating lease charges: minimum lease payments - property rentals	<u>36,893</u>	<u>29,403</u>
Cost of inventories sold	<u>35,380</u>	<u>32,069</u>

[#] Equity settled share-based payment expenses include HK\$679,000 (2014: HK\$Nil) relating to staff costs, which is also included in the amount disclosed separately in note 4(a).

5 INCOME TAX IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Income tax in the consolidated statement of comprehensive income represents:

	2015 HK\$'000	2014 HK\$'000
Current tax		
Provision for the year	2,488	4,094
(Over)/under-provision in respect of prior years	(169)	851
	<u>2,319</u>	<u>4,945</u>
Deferred tax		
Origination and reversal of temporary differences	617	(1,510)
	<u>2,936</u>	<u>3,435</u>

Notes:

- (i) The provision for Hong Kong Profits Tax for 2015 is calculated at 16.5% (2014: 16.5%) of the estimated assessable profits for the year.
- (ii) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in these jurisdictions.

6 LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of HK\$104,000 (2014: HK\$585,000) and the weighted average number of 312,667,000 (2014: 233,375,000) ordinary shares in issue during the year, calculated as follows:

Weighted average number of ordinary shares

	2015 '000	2014 '000
Issued ordinary shares at the beginning of the year	312,600	216,000
Effect of shares issued upon initial public offering (note 10(ii))	–	17,375
Effect of share options exercised	67	–
	<u>312,667</u>	<u>233,375</u>
Weighted average number of ordinary shares at the end of the year	<u>312,667</u>	<u>233,375</u>

(b) Diluted loss per share

The diluted loss per share is the same as basic loss per share as there were no dilutive potential ordinary shares in existence during the years ended 31 March 2015 and 2014.

7 **PROPERTY, PLANT AND EQUIPMENT**

	Furniture, fixtures and equipment <i>HK\$'000</i>	Leasehold improvements <i>HK\$'000</i>	Total <i>HK\$'000</i>
Cost:			
At 1 April 2014	15,690	13,963	29,653
Additions	12,224	34,981	47,205
Disposals	(25)	(32)	(57)
	<hr/>	<hr/>	<hr/>
At 31 March 2015	27,889	48,912	76,801
	<hr/>	<hr/>	<hr/>
Accumulated depreciation:			
At 1 April 2014	8,169	6,249	14,418
Charge for the year	3,441	3,664	7,105
Written back on disposals	(8)	(16)	(24)
	<hr/>	<hr/>	<hr/>
At 31 March 2015	11,602	9,897	21,499
	<hr/>	<hr/>	<hr/>
Net book value:			
At 31 March 2015	16,287	39,015	55,302
	<hr/>	<hr/>	<hr/>
	Furniture, fixtures and equipment <i>HK\$'000</i>	Leasehold improvements <i>HK\$'000</i>	Total <i>HK\$'000</i>
Cost:			
At 1 April 2013	14,401	13,931	28,332
Additions	1,289	32	1,321
	<hr/>	<hr/>	<hr/>
At 31 March 2014	15,690	13,963	29,653
	<hr/>	<hr/>	<hr/>
Accumulated depreciation:			
At 1 April 2013	5,571	4,082	9,653
Charge for the year	2,598	2,167	4,765
	<hr/>	<hr/>	<hr/>
At 31 March 2014	8,169	6,249	14,418
	<hr/>	<hr/>	<hr/>
Net book value:			
At 31 March 2014	7,521	7,714	15,235
	<hr/>	<hr/>	<hr/>

8 TRADE AND OTHER RECEIVABLES

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Trade receivables	988	2,275
Deposits, prepayments and other receivables	37,090	29,148
	38,078	31,423

At 31 March 2014 and 2015, none of the Group's trade receivables was individually or collectively considered to be impaired. The Group does not hold any collateral over these balances.

The amount of the Group's deposits, prepayments and other receivables expected to be recovered or recognised as expense after more than one year is HK\$7,448,000 (2014: HK\$13,702,000), which mainly represents rental deposits for clubs of the Group. All of the other trade and other receivables are expected to be recovered or recognised as expense within one year.

Ageing analysis

As of the end of the reporting period, the ageing analysis of trade receivables (which are included in trade and other receivables), based on the invoice date, is as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Within 1 month	919	2,206
Over 2 months	69	69
	988	2,275

The Group's trade receivables mainly represent the credit card sales receivable from financial institutions, which are neither past due nor impaired.

9 TRADE AND OTHER PAYABLES

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Trade creditors	2,255	1,854
Other payables and accrued charges	27,158	19,254
Receipts in advance	11,143	13,095
	<hr/> 40,556	<hr/> 34,203

All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

Receipts in advance represent the prepayments from customers in respect of the membership schemes operated by the Group.

As of the end of the reporting period, the ageing analysis of trade creditors (which are included in trade and other payables) based on the invoice date, is as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Within 3 months	2,255	1,854

10 SHARE CAPITAL

	2015		2014	
	No. of shares '000	Amount HK\$'000	No. of shares '000	Amount HK\$'000
Authorised:				
Ordinary shares of HK\$0.01 each	<u>10,000,000</u>	<u>100,000</u>	<u>10,000,000</u>	<u>100,000</u>
Ordinary shares, issued and fully paid:				
At the beginning of the year	312,600	3,126	–*	–*
Shares issued	–	–	10	–*
Capitalisation issue (<i>note (i)</i>)	–	–	215,990	2,160
Shares issued under initial public offering (<i>note (ii)</i>)	–	–	96,600	966
Shares issued under share option scheme (<i>note (iii)</i>)	<u>1,402</u>	<u>14</u>	–	–
At the end of the year	<u>314,002</u>	<u>3,140</u>	<u>312,600</u>	<u>3,126</u>

* Represented no. of shares less than 1,000 or amount less than HK\$1,000

The Company was incorporated on 14 January 2013 with an authorised share capital of HK\$100,000,000 divided into 10,000,000,000 shares of HK\$0.01 each. On 14 January 2013 and 19 April 2013, 1 share and 9,999 shares of HK\$0.01 were allotted and issued as fully paid at par respectively.

Upon the completion of the Reorganisation on 15 April 2013, the Company became the holding company of the Group.

As at 31 March 2014 and 2015, the holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

Notes:

- (i) Pursuant to written resolutions of the Company's shareholders passed on 7 January 2014, conditional upon the crediting of the share premium account of the Company as a result of the issue of shares pursuant to the initial public offering, the Directors were authorised to allot and issue a total of 215,990,000 shares, by way of capitalisation of the sum of HK\$2,160,000 standing to the credit of the share premium account of the Company, credited as fully paid at par to the then controlling shareholder.
- (ii) On 23 January 2014 and 10 February 2014, the Company issued 84,000,000 shares and 12,600,000 shares (i.e. over-allotment) respectively with a par value of HK\$0.01 each, at a price of HK\$1.5 per share by way of a global initial public offering to Hong Kong and international investors. Net proceeds from such issue amounted to HK\$123,659,000 (after offsetting share issuance expenses of HK\$21,241,000), of which HK\$966,000 and HK\$122,693,000 were recorded in share capital and share premium respectively.
- (iii) Share issued under share option scheme

During the year ended 31 March 2015, options were exercised to subscribe for 1,402,000 ordinary shares in the Company at a consideration of HK\$1,388,000 of which HK\$14,000 was credited to share capital and the balance of HK\$1,374,000 was credited to the share premium account. HK\$355,000 has been transferred from the share-based compensation reserve to the share premium account.

11 DIVIDENDS

On 24 October 2013, the Company declared a dividend of HK\$10,000,000 to the then controlling shareholder. Such dividend represented dividend declared prior to the initial public offering of the Company. The rate of dividend per share is not presented as it does not indicate of the rate at which future dividends will be declared.

The Directors do not recommend the payment of a dividend for the year ended 31 March 2015 (2014: HK\$Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group currently owns and operates Magnum Club, Beijing Club, DIZZI and Zentral (the “Clubs”). A new club, namely Zentral, in the Lan Kwai Fong area was opened for business in December 2014. Zentral targets high income group with its lavish and extravagant decoration.

Our unceasing endeavour in staying ahead of the trend has been realized with the completion of the renovation and opening of DIZZI, which was formerly known as BILLION, on 9 July 2014. To realize the Group’s vision of turning all its Clubs into the entertainment destinations for the creative, the eccentric, and the interesting, Beijing Club has been undergoing renovation since 5 January 2015.

The market competition in respect of the clubbing business in Hong Kong remains intense. The Group intends to regularly review its mode of operation in order to improve the finance performance of the Group.

FINANCIAL REVIEW

Turnover

The Group’s turnover recorded approximately HK\$154.9 million for the year ended 31 March 2015, representing a decrease of approximately 2.6% as compared with approximately HK\$159.1 million for the year ended 31 March 2014. The decrease in turnover was mainly due to the decrease in club patrons during Occupy Central and intense competition in the clubbing business in Lan Kwai Fong area.

Staff Costs

The staff costs comprise salaries, wages, discretionary bonuses, membership commission, tips from customers allocated to staff and other benefits including retirement benefit costs and other allowances and benefits payable to the permanent staff and part time staff. The staff costs increased by approximately 1.2% or HK\$0.4 million to approximately HK\$35.1 million for the year ended 31 March 2015 from approximately HK\$34.7 million for the year ended 31 March 2014. Such increase was mainly due to equity settled share-based payment expenses.

Property Rentals and Related Expenses

The property rentals and related expenses consist of lease payments under operating leases for the Clubs and the Group's headquarters. The property rentals and related expenses increased by approximately 26.0% or HK\$8.7 million to approximately HK\$42.2 million for the year ended 31 March 2015 from approximately HK\$33.5 million for the year ended 31 March 2014. Such increase was mainly due to the opening of Zentral and increase in the rental expenses of one of the other Clubs.

Advertising and Marketing Expenses

The advertising and marketing expenses primarily consist of advertising and promotional expense, such as the cost of inviting international disc jockeys to the Clubs. The advertising and marketing expenses decreased by approximately 54.5% or HK\$8.4 million to approximately HK\$7.0 million for the year ended 31 March 2015 from approximately HK\$15.4 million for the year ended 31 March 2014. Such decrease was mainly due to reduction of promotional activities of the Clubs.

Results for the Year

The Group's loss for the year ended 31 March 2015 was approximately HK\$0.1 million, as compared with the Group's loss of approximately HK\$0.6 million for the year ended 31 March 2014. The net loss was mainly due to (1) decrease of turnover due to the impact of Occupy Central; (2) increase of property rentals and related expenses of approximately HK\$8.7 million; (3) increase in administrative expense incurred by the opening of Zentral.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING

As at 31 March 2015, the Group's total current assets and current liabilities were approximately HK\$150.4 million (31 March 2014: approximately HK\$181.3 million) and approximately HK\$40.6 million (31 March 2014: approximately HK\$34.2 million) respectively, while the current ratio was about 3.7 times (31 March 2014: 5.3 times).

As at 31 March 2015, the Group maintained cash at bank and in hand of approximately HK\$98.2 million (31 March 2014: approximately HK\$136.4 million). The decrease in cash at bank and in hand was primarily due to the opening costs of Zentral. In the foreseeable future, the Group expects to fund its capital expenditures, working capital and other capital requirements from the net proceeds from the initial public offering (the "IPO"), cash generated from its operations and other financing means which the Company may from time to time consider appropriate.

As at 31 March, 2015, the Group had no borrowings (31 March 2014: Nil). The gearing ratio, which is calculated by dividing total borrowings by total equity, as at 31 March 2015 was zero (31 March 2014: zero).

CAPITAL STRUCTURE

As at 31 March 2015, the total equity of the Group was approximately HK\$166.5 million (31 March 2014: approximately HK\$164.5 million) which was attributable to equity shareholders of the Company. The Group had no borrowings, debt securities or other capital instruments as at 31 March 2015. The Group manages its capital to safeguard the Group's ability to continue as a going concern while maximizing the return to shareholders through maintaining the equity and debt in a balanced position.

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

The Group did not have any material acquisitions or disposals of subsidiaries and associated companies during the year ended 31 March 2015.

CHARGE ON ASSETS

As at 31 March 2015, the Group's pledged bank deposits was approximately HK\$7.0 million (31 March 2014: approximately HK\$7.0 million).

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group intends to conduct more in-depth reviews on the suitable development strategies for the Group, including the feasibility of diversifying the income stream of the Group by exploring different business and investment opportunities in different business areas such as aesthetic medical business, which may or may not include any assets and/or business acquisitions or disposals by the Group, and will consider all options. Any such plans will be subject to review and approval by The Board and compliance with the applicable requirements under the Listing Rules where appropriate.

FOREIGN EXCHANGE EXPOSURE

The Directors believe that the Group's exposure to foreign currency risk is minimal as the monetary assets, liabilities and transactions are principally denominated in Hong Kong dollars.

CONTINGENT LIABILITIES

As at 31 March 2015, the Group did not have any material contingent liabilities.

EMPLOYEE AND REMUNERATION POLICY

As at 31 March 2015, the Group employed approximately 167 employees (31 March 2014: 180 employees). The Group offers competitive remuneration packages to its staff, including share option scheme, mandatory provident fund scheme and discretionary bonus.

PROSPECTS

The Group will endeavour to expand its income sources and broaden its profile by pursuing new opportunities arising from advantageous ventures while maintaining prudent risk management control. To achieve these, the Group will conduct extensive and cautious review into potential development strategies, including exploring different business and investment opportunities in different business areas such as aesthetic medical business and will consider all options.

With the complete revamp and successful re-opening of California Tower, a multi-purpose entertainment landmark at the heart of Lan Kwai Fong, attracting heavyweights, A-list celebrities, affluent elites, and excitement-seeking crowds to the area, the night scene in the area has never been more livelier. Perched on the fourth and fifth floor of the hot spot, Zentral together with Magnum Club, Beijing Club, and DIZZI, will form a new staple of Central's and Hong Kong's nightlife, offering club patrons in the Lan Kwai Fong area the most swanky entertainment joints to relax away from the frenzied hustle of the city's streets. With the top-notch service and unbeatable ambience for which the Clubs are founded on and known for, the Group will endeavor to fortify its pioneer position as leader in the clubbing and entertainment industry in Hong Kong.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 March 2015 (31 March 2014: Nil).

USE OF PROCEEDS FROM THE IPO

The net proceeds from the IPO of the Company's Shares (after the exercise of the Over-allotment Option (as defined in the prospectus of the Company dated 13 January 2014)), excluding Listing related expenses, amounted to approximately HK\$105.6 million. As of 31 March, 2015, the Group had used approximately HK\$17.0 million for the decoration and other opening costs for Zentral. The remaining of the net proceeds is expected to be utilised in accordance with the proposed applications set out in the section headed "Future Plans, Reasons for Listing and Use of Proceeds" in the prospectus of the Company. The Group held the unutilised net proceeds in deposits with licensed financial institutions in Hong Kong.

CORPORATE GOVERNANCE

The Company has adopted the Corporate Governance Code (the “**CG Code**”) contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as its corporate governance code of practices. The Board is of opinion that the Company has complied with the CG Code throughout the year ended 31 March 2015.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set forth in Appendix 10 to the Listing Rules as the code of conduct for securities transactions by the Directors. The Company has made specific enquiry with all the then Directors and all of them have confirmed that they complied with the Model Code throughout the year ended 31 March 2015 and up to their respective resignation on 15 May 2015. All the newly appointed Directors of the Company have confirmed that they have complied with the Model Code since the date of their respective appointment on 15 May 2015 up to the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the year ended 31 March 2015, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company’s listed securities.

REVIEW OF ANNUAL RESULTS BY THE AUDIT COMMITTEE

The Company has established an audit committee (the “**Audit Committee**”) on 3 January 2014. The Audit Committee currently consists of three independent non-executive Directors, namely, Mr. Bau Siu Fung (Chairman of the Audit Committee), Mr. Poon Chiu Kwok and Ms. Lou Aidong.

The Audit Committee has reviewed the Group’s consolidated financial statements and annual results for the year ended 31 March 2015. The Audit Committee is of the view that these financial statements have been prepared in accordance with the applicable accounting standards, the Listing Rules and the statutory provisions, and sufficient disclosures have already been made.

SCOPE OF WORK OF KPMG

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2015 had been compared by the Company's auditors, KPMG, Certified Public Accountants, to the amounts set out in the Group's draft financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect was limited and did not constitute an audit, review or other assurance engagement and consequently no assurance has been expressed by the auditors on this announcement.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.magnumentertainment.com.hk. The annual report for the year ended 31 March 2015 will be dispatched to the shareholders and published on the above websites in due course.

By order of the Board
Magnum Entertainment Group Holdings Limited
Zheng Jiang
Chairman

Hong Kong, 19 June 2015

As at the date of this announcement, the executive Directors are Mr. Zheng Jiang, Mr. Chan Hon Ki, Ms. Chen Huajuan and Ms. Shen Guoying and the independent non-executive Directors are Mr. Poon Chiu Kwok, Mr. Bau Siu Fung and Ms. Lou Aidong.