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Magnum Entertainment Group Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2080)

DISCLOSEABLE TRANSACTION

CONTRACT FOR FITTING-OUT WORKS OF ZENTRAL

The Board is pleased to announce that, on 22 September 2014, Easy Large Limited, an indirect wholly-owned subsidiary of the Company, awarded the Contract to the Contractor, which has been selected and accepted through a tendering process for the provision of the Fitting-out Works for Zentral, subject to the terms and conditions contained therein. The Contract Sum for the Fitting-out Works under the Contract is HK\$13.68 million.

As certain applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the Contract Sum under the Contract is more than 5% but less than 25%, the entering into of the Contract constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements.

INTRODUCTION

The Board is pleased to announce that, on 22 September 2014, Easy Large Limited, an indirect wholly-owned subsidiary of the Company, awarded the Contract to the Contractor, which has been selected and accepted through a tendering process for the provision of the Fitting-out Works for Zentral, a new club to be opened by the Group in the new California Tower in the Lan Kwai Fong area.

PRINCIPAL TERMS OF THE CONTRACT

Parties

- (i) Easy Large Limited;
- (ii) the Contractor

The Directors confirm that, to the best of their knowledge, information and belief, after having made all reasonable enquiries, the Contractor and its ultimate beneficial owner(s) are independent of and not connected with the Company and its connected persons.

Scope of Fitting-out Works

Pursuant to the Contract, Easy Large Limited agreed to engage the Contractor for carrying out the Fitting-out Works in relation to Zentral. The scope of Fitting-out Works includes, among others, works in relation to preliminary works, floor finishes, partition and wall finishes, ceiling finishes and furniture and fixture, including any amendments and additional works thereto requested by Easy Large Limited.

Completion

The Fitting-out Works shall be completed within 60 days, date of commencement of which will be notified by Easy Large Limited to the Contractor.

Consideration and Payment Terms

The total Contract Sum of the Fitting-out Works is HK\$13.68 million, which was offered by the Contractor under the tender proposal submitted and was selected and accepted under the tendering process. The Contract Sum shall be payable in accordance with the stages of the Fitting-out Works by Easy Large Limited to the Contractor in the following manner:

- (i) HK\$4,104,000 (being 30% of the Contract Sum) payable within 2 working days after entering into the Contract;
- (ii) HK\$4,104,000 (being 30% of the Contract Sum) payable within 2 working days after the examination and acceptance of 50% of Fitting-out Works completed;
- (iii) HK\$4,104,000 (being 30% of the Contract Sum) payable within 2 working days after the examination and acceptance of 100% of Fitting-out Works completed; and
- (iv) HK\$1,368,000 (being 10% of the Contract Sum) payable after one year of maintenance from the completion of the Fitting-out Works.

The Contract Sum will be financed by the net proceeds from the global offering of the Company.

Award of the Contract

The Contractor was selected from a number of tenderers through the tendering process conducted by Easy Large Limited. Selection criteria include but not limited to, the bidding price submitted by the tenderers, past experience in similar fitting-out and market reputation of the tenderers, and the time schedule for completion of the Fitting-out Works by the tenderers. Based on the aforesaid selection criteria, Easy Large Limited awarded the Contract to the Contractor.

REASONS FOR THE ENTERING INTO OF THE CONTRACT

The Group is principally engaged in operation of clubbing business. With the benefit from the economies of scale of the Group's operations, the Group intends to increase its market penetration and open one new club, namely Zentral, in the new California Tower in the Lan Kwai Fong area. The Contractor was selected as the successful tenderer for the Fitting-out Works in Zentral.

The Directors are of the view that the terms of the Contract are fair and reasonable and the entering into of the Contract is in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE GROUP

The Group is principally engaged in operation of clubbing business. Easy Large Limited is an indirect wholly-owned subsidiary of the Company and provides administrative and business support services to the Group.

INFORMATION ON THE CONTRACTOR

To the best of the Directors' knowledge, the Contractor is principally engaged in the provision of fitting-out works.

IMPLICATIONS UNDER THE LISTING RULES

As certain applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the Contract Sum under the Contract is more than 5% but less than 25%, the Contract constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements.

DEFINITIONS

Unless the context requires otherwise, the following expressions shall have the following meanings in this announcement:

“Board”	the board of Directors
“Company”	Magnum Entertainment Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Contract”	the contract dated 22 September 2014 entered into between Easy Large Limited and the Contractor
“Contract Sum”	the contract price payable by Easy Large Limited under the Contract, being HK\$13.68 million
“Contractor”	Leung Hing Building & Decoration Co., the contractor under the Contract. To the best of the Directors’ knowledge, information and belief, after having made all reasonable enquiries, the Contractor and its ultimate beneficial owner(s) are independent of and not connected with the Company and its connected persons
“Directors”	the directors of the Company
“Easy Large Limited”	a company incorporated in Hong Kong with limited liability, which is an indirect wholly-owned subsidiary of the Company
“Fitting-out Works”	the fitting-out to be undertaken by the Contractor in respect of Zentral under the terms of the Contract
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Shareholder(s)”	holder(s) of the ordinary share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
Magnum Entertainment Group Holdings Limited
Chan Chi Wah
Executive Director

Hong Kong, 22 September 2014

As at the date of this announcement, the executive Directors are Mr. Chan Chi Wah, Ms. Mok Kung Yee, Ms. Tsang Kwok Shan, Sandy and Mr. Lam Jhug Ching; the non-executive Director is Mr. Yip Mow Lum and the independent non-executive Directors are Mr. Yung Ha Kuk, Victor, Mr. Leung Chun Kuen, Noel and Mr. Lam Kwok Fai, Osmond.