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

If you have sold or transferred all your shares in Magnum Entertainment Group Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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## **Magnum Entertainment Group Holdings Limited**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2080)**

### **PROPOSALS FOR GRANTING OF GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES, RE-ELECTION OF RETIRING DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the Annual General Meeting of Magnum Entertainment Group Holdings Limited to be held at 3/F, Silver Fortune Plaza, No. 1 Wellington Street, Central, Hong Kong on Friday, 19 September 2014 at 11:00 a.m. is set out on pages 16 to 21 of this circular. A form of proxy for use at the Annual General Meeting is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)). Whether or not you are able to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting. Completion and return of the form of proxy will not preclude Shareholders from attending and voting at the meeting if they so wish.

25 July 2014

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## DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at 3/F, Silver Fortune Plaza, No. 1 Wellington Street, Central, Hong Kong on Friday, 19 September 2014 at 11:00 a.m. or any adjournment thereof, the notice of which is set out on pages 16 to 21 of this circular
“Articles of Association”	the articles of association of the Company, conditionally adopted on 3 January 2014 and as amended from time to time
“Beijing Club”	one of the clubs operated by the Group at 2/F, 3/F. & 5/F., Wellington Place, 2-8 Wellington Street, Central, Hong Kong
“Board”	the board of Directors
“Cayman Companies Law”	the Companies Law (as revised) of the Cayman Islands as amended, supplemented or otherwise modified from time to time
“Club Kingdom”	Club Kingdom The Central Group Limited (formerly known as Silk Limited (錦尚有限公司)), a company incorporated in Hong Kong with limited liability on 3 November 2005, which is an indirect wholly-owned subsidiary of the Company
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Company”	Magnum Entertainment Group Holdings Limited, a company incorporated in the Cayman Islands on 14 January 2013 as an exempted company with limited liability, whose Shares are listed on the main board of the Stock Exchange
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and for the context of this circular, shall mean Rainbow Key Investments Limited and Mr. Yip Mow Lum
“Director(s)”	the director(s) of the Company

## DEFINITIONS

“EPD”	Environmental Protection Department of the Government of Hong Kong
“FEHD”	Food and Environmental Hygiene Department of the Government of Hong Kong
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Kind Legend”	Kind Legend Limited (友傳有限公司), a company incorporated in Hong Kong with limited liability on 27 December 2007, which is an indirect wholly-owned subsidiary of the Company
“Latest Practicable Date”	17 July 2014, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Date”	23 January 2014, being the date when the Company was successfully listed on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LLB”	Liquor Licensing Board of the Government of Hong Kong
“Magnum Club”	one of the clubs operated by the Group at 3-4/F., Silver Fortune Plaza, 1 Wellington Street, Central, Hong Kong
“Proposed Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the Annual General Meeting to repurchase Shares not exceeding 10 per cent of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the resolution granting the Proposed Repurchase Mandate
“SFC”	the Securities and Futures Commission of Hong Kong

## DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of nominal value of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sure Wise”	Sure Wise Investment Limited (智保投資有限公司), a company incorporated in Hong Kong with limited liability on 22 January, 2009, which is an indirect wholly-owned subsidiary of the Company
“Takeovers Code”	the Code on Takeovers and Mergers, as amended, supplemented or otherwise modified from time to time
“DIZZI”	DIZZI (previously known as Billion), being one of the clubs operated by the Group at 3/F., On Hing Building, No. 1 On Hing Terrace, Central, Hong Kong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



**Magnum Entertainment Group Holdings Limited**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2080)**

*Chairman and non-executive Director:*

Mr. Yip Mow Lum

*Executive Directors:*

Mr. Chan Chi Wah

Ms. Mok Kung Yee

Ms. Tsang Kwok Shan, Sandy

Mr. Lam Jhug Ching

*Independent non-executive Directors:*

Mr. Yung Ha Kuk, Victor

Mr. Leung Chun Kuen, Noel

Mr. Lam Kwok Fai, Osmond

*Registered office:*

Clifton House

75 Fort Street

P.O. Box 1350

Grand Cayman KY1-1108

Cayman Islands

*Principal place of business  
in Hong Kong:*

22/F., Silver Fortune Plaza

No. 1 Wellington Street

Central

Hong Kong

25 July 2014

*To the Shareholders*

Dear Sir or Madam

**PROPOSALS FOR  
GRANTING OF GENERAL MANDATES TO ISSUE SHARES  
AND TO REPURCHASE SHARES,  
RE-ELECTION OF RETIRING DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide Shareholders with the notice of Annual General Meeting and the following proposals to be put forward at the Annual General Meeting: (i) the granting to the Directors of general mandates to issue Shares and repurchase Shares, and (ii) the re-election of the retiring Directors.

## LETTER FROM THE BOARD

### GENERAL MANDATE TO ISSUE SHARES

In order to ensure greater flexibility for the Company to issue new Shares, an ordinary resolution no. 4(A) will be proposed at the Annual General Meeting to grant to the Directors a general and unconditional mandate to exercise the powers of the Company to allot and issue new Shares in the share capital of the Company up to 20 per cent of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of the resolution in relation to such general mandate. As at the Latest Practicable Date, the issued share capital of the Company comprised 312,600,000 Shares. Subject to the passing of ordinary resolution no. 4(A) and on the basis that no further Shares are issued or repurchased before the Annual General Meeting, the Company will be allowed to issue a maximum of 62,520,000 Shares. In addition, subject to a separate approval of the ordinary resolution no. 4(C), the number of Shares purchased by the Company under ordinary resolution no. 4(B) will also be added to the 20 per cent general mandate as mentioned in the ordinary resolution no. 4(A). The Directors wish to state that they have no immediate plans to issue any new Shares pursuant to such general mandate.

### GENERAL MANDATE TO REPURCHASE SHARES

In addition, an ordinary resolution will be proposed at the Annual General Meeting to approve the Proposed Repurchase Mandate to the Directors to exercise the powers of the Company to repurchase Shares representing up to 10 per cent of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of the resolution in relation to such Proposed Repurchase Mandate.

An explanatory statement required by the Listing Rules in connection with the Proposed Repurchase Mandate is set out in Appendix II to this circular. This explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the Annual General Meeting.

### RE-ELECTION OF RETIRING DIRECTORS

Pursuant to Article 112 of the Articles of Association, the Board shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as addition to the Board. Any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

Pursuant to Article 108 of the Articles of Association, at each annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not 3 or a multiple of 3, then the number nearest to, but not less than, one-third) shall retire from office by rotation at least once every 3 years. A retiring Director shall be eligible for re-election.

## LETTER FROM THE BOARD

Accordingly, all the Directors, namely, Mr. Chan Chi Wah, Ms. Mok Kung Yee, Ms. Tsang Kwok Shan, Sandy, Mr. Lam Jhug Ching, Mr. Yip Mow Lum, Mr. Yung Ha Kuk, Victor, Mr. Leung Chun Kuen, Noel and Mr. Lam Kwok Fai, Osmond shall retire at the Annual General Meeting. All of the retiring Directors, being eligible, will offer themselves for re-election at the same meeting.

Details of the above named Directors who are subject to re-election at the Annual General Meeting are set out in Appendix I to this circular in accordance with the relevant requirements of the Listing Rules.

### **CLOSURE OF REGISTER OF MEMBERS**

In order to determine the identity of such Shareholders who are eligible to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Wednesday, 17 September 2014 to Friday, 19 September 2014, both days inclusive. During the period, no transfer of Shares will be registered. In order to qualify for attending and voting at the Annual General Meeting, all transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong before 4:00 p.m. on Tuesday, 16 September 2014.

### **NOTICE OF ANNUAL GENERAL MEETING**

Set out on pages 16 to 21 of this circular is the notice of Annual General Meeting at which, inter alia, ordinary resolutions will be proposed to Shareholders to consider and approve (i) the granting to the Directors of general mandates to issue Shares and repurchase Shares, and (ii) the re-election of the retiring Directors.

### **FORM OF PROXY**

A form of proxy is enclosed for use at the Annual General Meeting. Such form of proxy is also published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). Whether or not you intend to be present at the Annual General Meeting, you are requested to complete the form of proxy and return it to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the holding of the Annual General Meeting. Completion and delivery of the form of proxy will not preclude Shareholders from attending and voting at the Annual General Meeting if they so wish.

### **VOTING BY POLL**

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the Chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The Chairman of the Annual General Meeting shall therefore demand voting on all resolutions set out in the notice of Annual General Meeting be taken by way of poll pursuant to Article 72 of the Articles of Association.



## LETTER FROM THE BOARD

On a poll, every Shareholder present in person or by proxy or (being a corporation) by its duly authorized representative shall have one vote for each Share registered in his/her name in the register. A Shareholder entitled to more than one vote needs not use all his votes or cast all the votes he uses in the same way.

### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### RECOMMENDATION

The Directors consider that the proposed resolutions for the granting to the Directors of the general mandate to issue Shares, the Proposed Repurchase Mandate and the re-election of the retiring Directors are in the interests of the Company and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting.

Yours faithfully,

By Order of the Board

**Magnum Entertainment Group Holdings Limited**

**Chan Chi Wah**

*Executive Director*

## APPENDIX I DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

*The following are the particulars of the Directors (as required by the Listing Rules) proposed to be re-elected at the Annual General Meeting.*

Save as disclosed herein for and as of the Latest Practicable Date, each of the Directors (i) had no other relationship with any Directors, senior management or substantial or controlling Shareholders of the Company; and (ii) did not hold any other directorships in other listed public companies in Hong Kong or overseas in the last three years.

Save as disclosed herein, there is no other matter that needs to be brought to the attention of the Shareholders and there is no information relating to the following Directors which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

### DIRECTOR CANDIDATES

**Mr. Chan Chi Wah (陳志華)**, aged 51, is the executive Director and the chief operating officer and joined the Group since March 2009. He is responsible for the overall administration, strategic planning and business development of the Group. He is acting as directors of a number of major subsidiaries of the Group, including Sure Wise (the operating company of Beijing Club and Magnum Club) and Kind Legend (the operating company of DIZZI). He has over 5 years of experience dealing with all the licensing matters with the LLB, the FEHD and the EPD. Prior to joining the Group, he worked as an accountant in a hotel from November 1980 to March 2005 and an accountant in a club from June 2005 to March 2009. Mr. Chan was awarded a diploma in computer studies from Hong Kong Productivity Council in September 2001.

Mr. Chan has entered into a service contract with the Company commencing on 14 November 2013 and shall continue for a period of three years from the Listing Date until terminated by not less than three months' notice in writing served by either party on the other. Pursuant to the service contract, the annual salary of Mr. Chan shall be approximately HK\$410,000 with effect from the Listing Date. As determined by the Board with reference to Mr. Chan's job responsibility, Mr. Chan is entitled to a director's salary of approximately HK\$530,000 per annum with effect from 1 April 2014.

As at the Latest Practicable Date, Mr. Chan was not interested or deemed to be interested in any Shares or underlying Shares of the Company or its associated corporations pursuant to Part XV of the SFO.

**Ms. Mok Kung Yee (莫恭懿)** (with former name Mok Po Chun (莫寶珍)), aged 52, is the executive Director and membership database and IT manager and joined the Group since October 2008. She is responsible for strategic planning, business development, managing and maintaining the membership database system of the Group. She is acting as one of the directors of Club Kingdom. She has over 8 years of experience working in the clubbing industry. Ms. Mok is the spouse of Mr. Wong Hei Yan, the chief executive officer of the Company.

## APPENDIX I DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

Ms. Mok has entered into a service contract with the Company commencing on 14 November 2013 and shall continue for a period of three years from the Listing Date until terminated by not less than three months' notice in writing served by either party on the other. Pursuant to the service contract, the annual salary of Ms. Mok shall be approximately HK\$419,000 with effect from the Listing Date. As determined by the Board with reference to Ms. Mok's job responsibility, Ms. Mok is entitled to a director's salary of approximately HK\$539,000 per annum with effect from 1 April 2014.

As at the Latest Practicable Date, Ms. Mok was not interested or deemed to be interested in any Shares or underlying Shares of the Company or its associated corporations pursuant to Part XV of the SFO.

**Ms. Tsang Kwok Shan, Sandy (曾國珊)**, aged 40, is the executive Director, chief financial officer and company secretary and joined the Group since September 2012. She is responsible for overseeing the financial, accounting and secretarial affairs of the Group. She is acting as directors of a number of major subsidiaries of the Group, including Sure Wise (the operating company of Beijing Club and Magnum Club) and Kind Legend (the operating company of DIZZI).

Prior to joining the Group, Ms. Tsang was the head of company secretarial department in Midland Holdings Limited (stock code: 1200) from November 2011 to July 2012. From November 2010 to November 2011, she was the finance vice president of mReferral Corporation (Hong Kong) Limited, a joint venture of Cheung Kong (Holdings) Limited (stock code: 0001) and Midland Holdings Limited (stock code: 1200). Ms. Tsang has over 15 years of experience in financial management and auditing. She holds a Master of Professional Accounting and is a fellow member of the Association of Chartered Certified Accountants.

Ms. Tsang has entered into a service contract with the Company commencing on 14 November 2013 and shall continue for a period of three years from the Listing Date until terminated by not less than three months' notice in writing served by either party on the other. Pursuant to the service contract, Ms. Tsang is entitled to a director's salary of approximately HK\$672,000 per annum.

As at the Latest Practicable Date, Ms. Tsang was not interested or deemed to be interested in any Shares or underlying Shares of the Company or its associated corporations pursuant to Part XV of the SFO.

**Mr. Lam Jhug Ching (林澤清)**, aged 62, is the executive Director and human resources manager and joined the Group since April 2008. He is responsible for overseeing all the human resources matters and implementing human resources policies and procedures of the Group. He is acting as directors of a number of major subsidiaries of the Group, including Kind Legend (the operating company of DIZZI). He has over 5 years of experience handling human resources matters. Prior to joining the Group, Mr. Lam worked in certain financial institutions from February 1974 to December 1988 for a number of positions, including an assistant officer in the bills department, an accountant in the credit department and a marketing executive in the marketing department. After that, Mr. Lam provided consultation services to businessmen in Hong Kong and China. He joined the Group in April 2008. He was elected as an Associate of the Institute of Bankers (U.K.) in August 1978.

## APPENDIX I DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

Mr. Lam has entered into a service contract with the Company commencing on 14 November 2013 and shall continue for a period of three years from the Listing Date until terminated by not less than three months' notice in writing served by either party on the other. Pursuant to the service contract, the annual salary of Mr. Lam shall be approximately HK\$314,000 with effect from the Listing Date. As determined by the Board with reference to Mr. Lam's job responsibility, Mr. Lam is entitled to a director's salary of approximately HK\$434,000 per annum with effect from 1 April 2014.

As at the Latest Practicable Date, Mr. Lam was not interested or deemed to be interested in any Shares or underlying Shares of the Company or its associated corporations pursuant to Part XV of the SFO.

**Mr. Yip Mow Lum (葉茂林)**, aged 62, is the Controlling Shareholder. Mr. Yip was appointed as the Chairman of the Board and a non-executive Director on 14 November 2013 and is responsible for advising on overall strategic planning of the Group.

Mr. Yip is also the chairman, executive director and controlling shareholder of Bright Smart Securities & Commodities Group Limited (stock code: 1428), a company listed on the Main Board of the Stock Exchange.

SFC reprimanded and fined Mr. Yip (who was at all material times the managing director of Bright Smart Securities International (H.K.) Limited) in November 2004, details of which were disclosed in page 139 of the prospectus of the Company dated 13 January 2014.

Mr. Yip has entered into a letter of appointment with the Company commencing on 14 November 2013 and shall continue for a period of three years from the Listing Date until terminated by not less than three months' notice in writing served by either party on the other. Mr. Yip will not receive any fees or remuneration but will be subject to a discretionary bonus.

As at the Latest Practicable Date, Mr. Yip was deemed to be interested in 216,000,000 Shares, representing approximately 69.1% of the issued share capital of the Company. Such Shares were held by Rainbow Key Investments Limited, a corporation wholly owned by Mr. Yip. Save as disclosed above, Mr. Yip was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

## APPENDIX I DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

**Mr. Yung Ha Kuk, Victor (容夏谷)**, aged 60, is the independent non-executive Director. He joined the Group on 14 November 2013 when he was appointed as an independent non-executive Director.

Mr. Yung is a professional accountant with over 30 years of working experience in the financial and accounting fields, and served in management positions in various multinational companies in Asia. Mr. Yung holds a Master of Science Degree in Corporate Governance and Directorship from the Hong Kong Baptist University, and is a member of the Hong Kong Institute of Certified Public Accountants. He is also an independent non-executive director of Lippo Limited (stock code: 226), Lippo China Resources Limited (stock code: 156), Hongkong Chinese Limited (stock code: 655) and Travel Expert (Asia) Enterprises Limited (stock code: 1235), all of which are companies listed on the Main Board of the Stock Exchange.

Mr. Yung has entered into a letter of appointment with the Company commencing on 14 November 2013 and shall continue for a period of three years from the Listing Date until terminated by not less than three months' notice in writing served by either party on the other. Mr. Yung is entitled to a director's fee of HK\$150,000 per annum.

As at the Latest Practicable Date, Mr. Yung was not interested or deemed to be interested in any Shares or underlying Shares of the Company or its associated corporations pursuant to Part XV of the SFO.

**Mr. Leung Chun Kuen, Noel (梁振權)**, aged 51, is the independent non-executive Director. He joined the Group on 14 November 2013 when he was appointed as an independent non-executive Director.

Mr. Leung joined Cheung Chan & Chung in November 1995 as an assistant solicitor and subsequently a partner since April 1998. Mr. Leung graduated from University of Wolverhampton (formerly known as Polytechnic Wolverhampton) in England with a Bachelor of Laws degree in July 1988 and completed his Solicitors' Final Examination in October 1991. He was admitted as a solicitor in Hong Kong since February 1994. Mr. Leung did not acquire the necessary continued professional development points in or about late 1995 and was temporarily suspended from practising as a solicitor for a short period of time until he subsequently acquired the outstanding points.

Mr. Leung has entered into a letter of appointment with the Company commencing on 14 November 2013 and shall continue for a period of three years from the Listing Date until terminated by not less than three months' notice in writing served by either party on the other. Mr. Leung is entitled to a director's fee of HK\$150,000 per annum.

As at the Latest Practicable Date, Mr. Leung was not interested or deemed to be interested in any Shares or underlying Shares of the Company or its associated corporations pursuant to Part XV of the SFO.

## APPENDIX I DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

**Mr. Lam Kwok Fai, Osmond (林國輝)**, aged 50, is the independent non-executive Director. He joined the Group on 14 November 2013 when he was appointed as an independent non-executive Director.

Mr. Lam has been practicing in the legal field for more than 22 years. He was called to Inner Temple in England and the Hong Kong Bar in February 1988 and December 1991, respectively.

Mr. Lam graduated from The Victoria University of Manchester, now known as The University of Manchester, with a Bachelor of Laws degree in July 1986.

Mr. Lam has entered into a letter of appointment with the Company commencing on 14 November 2013 and shall continue for a period of three years from the Listing Date until terminated by not less than three months' notice in writing served by either party on the other. Mr. Lam is entitled to a director's fee of HK\$150,000 per annum.

As at the Latest Practicable Date, Mr. Lam was not interested or deemed to be interested in any Shares or underlying Shares of the Company or its associated corporations pursuant to Part XV of the SFO.

*The following is an explanatory statement required to be sent to the Shareholders under the Listing Rules in connection with the Proposed Repurchase Mandate.*

## **SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 312,600,000 Shares of nominal value of HK\$0.01 each. Subject to the passing of the resolution granting the Proposed Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the Annual General Meeting, the Company will be allowed to repurchase a maximum of 31,260,000 Shares, which represent 10 per cent of the issued share capital of the Company as at the date of passing the relevant resolutions, during the period ending on the earlier of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held by law or the Articles of Association or the date upon which such authority is revoked or varied by a resolution of the Shareholders in general meeting.

## **SOURCE OF FUNDS**

Repurchases must be paid out of funds legally available for the purpose in accordance with the Articles of Association and the Cayman Companies Law. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Under the Cayman Islands laws, any repurchases by the Company may be made out of profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose of the repurchase or, if so authorized by the Articles of Association and subject to the provisions of the Cayman Companies Law, out of capital.

Any premium payable on a redemption or purchase over the par value of the Shares to be purchased must be provided for out of the profits of the Company or from sums standing to the credit of the share premium account of the Company or, if authorised by the Articles of Association and subject to the provisions of the Cayman Companies Law, out of capital.

## **REASONS FOR REPURCHASES**

The Directors believe that it is in the best interest of the Company and the Shareholders for the Directors to have general authority from the Shareholders to enable the Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made if the Directors believe that such repurchases will benefit the Company and the Shareholders.

## **FUNDING OF REPURCHASES**

In repurchasing securities, the Company may only apply funds legally available for such purpose in accordance with the Articles of Association, the Listing Rules and the applicable laws of the Cayman Islands.



On the basis of the current financial position of the Group as disclosed in the audited consolidated financial statements of the Company as at 31 March 2014, being the date to which the latest published audited consolidated financial statements of the Company were made up, the Directors consider that, if the Proposed Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Group as compared with the position disclosed in the audited consolidated financial statements of the Company as at 31 March 2014. However, the Directors do not propose to exercise the Proposed Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Group or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Group.

## GENERAL

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates currently intends to sell any Shares to the Company or its subsidiaries.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Proposed Repurchase Mandate in accordance with the Listing Rules, the Articles of Association and the applicable laws of the Cayman Islands.

If, as a result of a securities repurchase, a Shareholder's proportionate interest in the voting rights of the Company is increased, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a Shareholder, a group of Shareholders acting in concert (within the meaning under the Takeover Code), depending on the level of increase of such Shareholders' interest, could obtain or consolidate control of the Company and may become obliged under Rule 26 of the Takeovers Code to make a mandatory offer unless a whitewash waiver is obtained. Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Proposed Repurchase Mandate.

As at the Latest Practicable Date, according to the register kept by the Company pursuant to Section 336 of the SFO, Mr. Yip Mow Lum, ("**Mr. Yip**") through Rainbow Key Investments Limited ("**Rainbow Key**"), a company wholly and beneficially owned by Mr. Yip, controlled approximately 69.1% of the entire issued share capital of the Company. If the Proposed Repurchase Mandate is exercised in full, the controlling interests of Mr. Yip in the Company will increase 76.8%. In the opinion of the Directors, such an increase would not give rise to an obligation to make a mandatory offer under Rules 26 of the Takeovers Code but would contravene the requirement under Rule 8.08 of the Listing Rules that at least 25% of the Shares must be held by the public. The Directors have no present intention to exercise the power to repurchase Shares pursuant to the Proposed Repurchase Mandate to such an extent as would result in the level of shareholdings in the Company held by public Shareholders falling below 25%. The Company will comply with the public float requirement under the Listing Rules.

No connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company, or has undertaken not to do so if the Proposed Repurchase Mandate is exercised.



**SHARE REPURCHASE MADE BY THE COMPANY**

No repurchase of Shares (whether on the Stock Exchange or otherwise) have been made by the Company in the period from the Listing Date to the Latest Practicable Date.

**SHARE PRICES**

The highest and lowest traded prices for Shares recorded on the Stock Exchange during each of the previous months since the Listing Date up to the Latest Practicable Date were as follows:

<b>Month</b>	<b>Highest traded prices <i>HK\$</i></b>	<b>Lowest traded prices <i>HK\$</i></b>
<b>2014</b>		
January (from 23 January to 31 January)	3.21	2.20
February	2.43	2.00
March	2.04	0.99
April	1.11	0.87
May	0.89	0.73
June	1.00	0.77
July (up to the Latest Practicable Date)	1.04	0.84

## NOTICE OF ANNUAL GENERAL MEETING



### Magnum Entertainment Group Holdings Limited

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2080)**

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Annual General Meeting (the “AGM”) of Magnum Entertainment Group Holdings Limited (the “Company”) will be held at 3/F, Silver Fortune Plaza, No. 1 Wellington Street, Central, Hong Kong on Friday, 19 September 2014 at 11:00 a.m. for the following purposes:

#### Ordinary business

1. To receive, consider and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors of the Company (the “Directors”) and auditors of the Company for the year ended 31 March 2014.
2. (a) To re-elect the following persons as Directors of the Company:
  - (i) To re-elect Mr. Chan Chi Wah, as an executive Director of the Company;
  - (ii) To re-elect Ms. Mok Kung Yee, as an executive Director of the Company;
  - (iii) To re-elect Ms. Tsang Kwok Shan, Sandy, as an executive Director of the Company;
  - (iv) To re-elect Mr. Lam Jhug Ching, as an executive Director of the Company;
  - (v) To re-elect Mr. Yip Mow Lum, as a non-executive Director of the Company;
  - (vi) To re-elect Mr. Yung Ha Kuk, Victor, as an independent non-executive Director of the Company;
  - (vii) To re-elect Mr. Leung Chun Kuen, Noel, as an independent non-executive Director of the Company;
  - (viii) To re-elect Mr. Lam Kwok Fai, Osmond, as an independent non-executive Director of the Company;

## NOTICE OF ANNUAL GENERAL MEETING

- (b) To authorize the board of Directors of the Company (the “**Board**”) to fix their remuneration.
- 3. To re-appoint KPMG as the auditors of the Company and authorize the Board to fix their remuneration.

### Special business

- 4. To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

(A) “**THAT:**

- (i) subject to paragraph (iii) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue or otherwise deal with additional shares in the capital of the Company or securities convertible into shares, or options, warrants or similar rights to subscribe for shares or such convertible securities of the Company and to make or grant offers, agreements and/or options (including bonds, warrants and debentures convertible into shares of the Company) which may require the exercise of such powers be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) above shall be in addition to any other authorization given to the Directors and shall authorize the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and/or options which may require the exercise of such power after the end of the Relevant Period;
- (iii) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors during the Relevant Period pursuant to paragraph (i) above, otherwise than pursuant to (1) a Rights Issue (as hereinafter defined) or (2) the grant or exercise of any option under the option scheme of the Company or any other option, scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or (3) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company in force from time to time; or (4) any issue of shares in the Company upon the exercise of rights of subscription or conversion under the terms of any existing convertible notes issued by the Company

## NOTICE OF ANNUAL GENERAL MEETING

or any existing securities of the Company which carry rights to subscribe for or are convertible into shares of the Company, shall not exceed the aggregate of 20 per cent of the aggregate nominal amount of share capital of the Company in issue as at the date of passing this resolution and the said approval shall be limited accordingly;

- (iv) for the purpose of this resolution:
  - (a) “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
    - (1) the conclusion of the next annual general meeting of the Company;
    - (2) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the articles of association of the Company to be held; and
    - (3) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and
  - (b) “Rights Issue” means an offer of shares in the capital of the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the Directors to holders of shares in the capital of the Company whose names appear on the register of members on a fixed record date in proportion to their holdings of shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or, having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the exercise or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, any recognised regulatory body or any stock exchange applicable to the Company).”

## NOTICE OF ANNUAL GENERAL MEETING

(B) “THAT:

- (i) subject to paragraph (iii) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase issued Shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the shares of the Company may be listed and recognised for this purpose by the Securities and Futures Commission and the Stock Exchange and, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) shall be in addition to any other authorization given to the Directors and shall authorize the Directors on behalf of the Company during the Relevant Period (as hereinafter defined) to procure the Company to purchase its Shares at a price determined by the Directors;
- (iii) the aggregate nominal amount of Shares of the Company which are authorized to be purchased by the Directors pursuant to the approval in paragraph (i) above shall not exceed 10 per cent of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution, and the said approval shall be limited accordingly;
- (iv) subject to the passing of each of the paragraphs (i) to (iii) of this resolution, any prior approvals of the kind referred to in paragraphs (i) to (iii) of this resolution which had been granted to the directors and which are still in effect be and are hereby revoked; and
- (v) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (1) the conclusion of the next annual general meeting of the Company;
- (2) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the articles of association of the Company to be held; and

## NOTICE OF ANNUAL GENERAL MEETING

- (3) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meeting.”
- (C) “**THAT** conditional upon the resolutions numbered 4(A) and 4(B) set out in the notice convening this meeting being passed, the general mandate granted to the Directors of the Company to exercise the powers of the Company to allot, issue and otherwise deal with additional shares of the Company and to make or grant offers, agreements and options which might require the exercise of such powers pursuant to the ordinary resolution numbered 4(A) set out in the notice convening this meeting be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted by the Directors pursuant to such general mandate an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to ordinary resolution numbered 4(B) set out in the notice convening this meeting, provided that such amount shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of the said resolutions.”

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

Hong Kong, 25 July 2014

*Registered office:*  
Clifton House  
75 Fort Street  
P.O. Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

*Principal place of business in Hong Kong:*  
22/F., Silver Fortune Plaza  
No. 1 Wellington Street  
Central  
Hong Kong

## NOTICE OF ANNUAL GENERAL MEETING

*Notes:*

- (i) Resolution numbered 4(C) will be proposed to the shareholders for approval provided that ordinary resolutions numbered 4(A) and 4(B) are passed by the shareholders.
- (ii) Any shareholder entitled to attend and vote at the above meeting is entitled to appoint one or, if he is the holder of two or more shares, more proxies to attend and vote in his stead. A proxy need not be a shareholder of the Company.
- (iii) In order to be valid, a form of proxy together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, shall be deposited at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time for holding the above meeting or any adjournment thereof. Completion and return of a form of proxy will not preclude a shareholder from attending and voting in person if he is subsequently able to be present.
- (iv) A form of proxy must be signed by you or your attorney duly authorized in writing or, in the case of a corporation, must be either executed under seal or under the hand of an officer or attorney duly authorized to sign the same.
- (v) In the case of joint holders of any shares, any one of such joint holders may vote at the above meeting, either personally or by proxy, in respect of such shares as if he were solely entitled thereto. However, if more than one of such joint holders is present at the meeting, either personally or by proxy, the joint holder whose name stands first in the Register of Shareholders will alone be entitled to vote in respect of such shares.
- (vi) On a poll, every shareholder present at the meeting shall be entitled to one vote for every fully paid-up share of which he is the holder. The result of such poll shall be deemed to be the resolution of the meeting at which the poll was so required or demanded.
- (vii) For determining the entitlement to attend and vote at the AGM, the transfer books and register of members will be closed from Wednesday, 17 September 2014 to Friday, 19 September 2014, both days inclusive, during which period no share transfers can be registered. In order to be eligible to attend and vote at the AGM, unregistered holders of shares of the Company should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on Tuesday, 16 September 2014.
- (viii) In respect of ordinary resolution numbered 2 above, Mr. Chan Chi Wah, Ms. Mok Kung Yee, Ms. Tsang Kwok Shan, Sandy, Mr. Lam Jhug Ching, Mr. Yip Mow Lum, Mr. Yung Ha Kuk, Victor, Mr. Leung Chun Kuen, Noel and Mr. Lam Kwok Fai, Osmond shall retire and being eligible, offered themselves for re-election at the above meeting. Details of the above directors are set out in Appendix I to the accompanied circular dated 25 July 2014.
- (ix) In respect of the ordinary resolution numbered 4(A) above, the Directors wish to state that they have no immediate plans to issue any new shares of the Company pursuant to such general mandate. Approval is being sought from the shareholders as a general mandate for the purposes of the Listing Rules.
- (x) In respect of ordinary resolution numbered 4(B) above, the Directors wish to state that they will exercise the powers conferred by the general mandate to repurchase shares of the Company in circumstances which they deem appropriate for the benefits of shareholders. The Explanatory Statement containing the information necessary to enable shareholders to make an informed decision on whether to vote for or against the resolution to approve the repurchase by the Company of its own shares, as required by the Listing Rules, is set out in Appendix II to the accompanied circular dated 25 July 2014.

*As at the date of this notice, 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.*