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Magnum International Holdings Limited

(Incorporated in Bermuda with limited liability)

APPROVAL OF DE-MINIMIS CONCESSION UNDER THE GUIDELINES FOR ISSUERS WITH NEGATIVE OR NEGLIGIBLE NET TANGIBLE ASSETS

The directors of the Company wish to announce that on 21st July, 2003, The Stock Exchange has approved the Company's application for the De-minimis Concession for the purpose of determining the "assets test" and the "consideration test" under Chapter 14 of the Listing Rules for classifying notifiable transactions (other than connected transactions) of the Company. The Stock Exchange's approval for the use of the De-minimis Concession will be valid from the date of the Company issuing an announcement in accordance with the condition stated in the Exchange Announcement to the publication or the due date of publication of the Company's next annual report for the year ending 31st December, 2003, whichever is the earlier.

INTRODUCTION

The directors of the Company ("Directors") of Magnum International Holdings Limited ("Company") wish to announce that on 21st July, 2003, The Stock Exchange of Hong Kong Limited ("Stock Exchange") has approved the Company's application for the De-minimis Concession (as described in the Stock Exchange's announcement dated 3rd May, 2001 ("Exchange Announcement")) for the purpose of determining the "assets test" and the "consideration test" ("Relevant Tests") under Chapter 14 of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") for classifying notifiable transactions (other than connected transactions).

BACKGROUND AND PRINCIPAL ACTIVITIES OF THE COMPANY

The principal activities of the Company and its subsidiaries ("Group") comprise investment holding, property investment, provision of administrative services, trading of marketable securities, money lending, securities dealing and margin finance.

On 16th April, 2003, the Company announced its final results of the year ended 31st December, 2002. In that announcement, the Company has disclosed that as at 31st December, 2002, it had an audited consolidated net tangible deficit of HK\$32,636,871 which arose from the operational losses in the ordinary and usual course of business during the aforesaid financial year.

REASON FOR APPLYING FOR THE DE-MINIMIS CONCESSION

As mentioned above, the Group currently has a negative net tangible asset value. As a result of the negative net tangible asset value, the Company will be required to disclose and obtain shareholders' approval pursuant to Chapter 14 of the Listing Rules in respect of all acquisitions and disposals of assets (however negligible). This could be extremely onerous to the Company (while not at the same time bringing any material benefit to public investors). As such, the Company applied to the Stock Exchange for the De-minimis Concession which will allow the Company flexibility to carry out its business activities.

DE-MINIMIS CONCESSION

The De-minimis Concession is such that each transaction (other than connected transaction) carried out in the ordinary course of business of the Group, which is entered into on normal commercial terms, and where the consideration or value of the transaction does not exceed HK\$1 million, would be considered as de-minimis. In such circumstances, the "assets test" and the "consideration test" will not apply for the purpose of classifying notifiable transactions other than connected transactions and such transactions will not be subject to any disclosure or shareholders' approval requirements.

PERIOD FOR WHICH THE DE-MINIMIS CONCESSION APPLY

The Stock Exchange's approval for the use of the De-minimis Concession will be valid from the date of the Company issuing an announcement in accordance with the condition stated in the Exchange Announcement to the publication or the due date of publication of the Company's next annual report for the year ending 31st December, 2003, whichever is the earlier.

GENERAL

The details of the De-minimis Concession will be included in the Company's next published annual report and accounts.

By order of the Board
Magnum International Holdings Limited
Ooi Sin Heng
Executive Director

Hong Kong, 21st July, 2003

*Please also refer to the published version of this announcement in the (**The Standard**)*