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Magnum International Holdings Limited

(incorporated in Bermuda with limited liability)

(Stock code: 305)

Possible change in controlling shareholder of the Company

The Board wishes to inform shareholders that negotiations are currently taking place between the Company's controlling shareholder and a potential investor relating to the possible acquisition of the controlling shareholder's entire interest and all shareholders' loans in the Company. There is no agreement signed and no terms are agreed at the moment. There can be no assurance that the negotiations will be concluded or that the Proposal will be implemented.

Persons dealing in the securities of the Company are advised to exercise caution.

The Board of Directors of the Company would like to inform shareholders that negotiations are currently taking place between the Company's controlling shareholder, Magnum (Guernsey) Limited, which is the holder of approximately 51.54% of the Company's issued shares, and a potential investor relating to the possible acquisition of the controlling shareholder's entire shareholding interest and shareholders' loans in the Company (the "**Proposal**"). The potential investor and its ultimate beneficial owners are independent of and not connected with the Company and its associates (as defined in the Listing Rules).

There is no agreement signed and no terms are agreed at the moment. Should the Proposal be implemented as currently structured, it is likely that a general offer will be required to be made on the potential investor's behalf to the Company's shareholders. There can be no assurance that the negotiations will be concluded or that the Proposal will be implemented.

A further announcement will be made in due course as required by the Hong Kong Code on Takeovers and Mergers and the Listing Rules.

In the meantime, persons dealing in the securities of the Company are advised to exercise caution.

By order of the Board
Ooi Sin Heng
Director

Hong Kong, 31 January, 2005

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries that, to the best of their knowledge and belief, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

At the date of this announcement, the Board comprises Mr Lim Teong Leong, Mr Tam Cheok Wing, Mr Ooi Sin Heng and Mr Chan Hon Ming as executive directors and Mr Wong Ming Shiang, Mr Lim Eng Ho and Mr Soo Tho Him Yip as independent non-executive directors.

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