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## **Magnum International Holdings Limited**

**萬能國際集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 305)**

**DESPATCH OF THE CIRCULAR IN RELATION TO  
CAPITAL REDUCTION AND  
INCREASE IN AUTHORISED SHARE CAPITAL  
AND  
SETTLEMENT OF SHAREHOLDER'S LOAN BY ENTERING  
INTO THE COMPROMISE DEED  
(SPECIAL DEAL AND CONNECTED TRANSACTION)  
AND  
SUBSCRIPTION OF CONVERTIBLE BOND BY  
UNICHINA ENTERPRISES LIMITED BY  
ENTERING INTO THE SUBSCRIPTION AGREEMENT  
(CONNECTED TRANSACTION)**

The Directors announce that the circular containing detailed information in relation to, among other things, (i) the Capital Reduction; (ii) the increase in the authorised share capital of the Company; (iii) the Compromise Deed; (iv) the Subscription Agreement; (v) the letter from the Independent Board Committee in respect of the Compromise Deed and the Subscription Agreement; (vi) the letter of advice from Tai Fook, the independent financial adviser to the Independent Board Committee in respect of the Compromise Deed and the Subscription Agreement; and (vii) a notice convening the SGM to be held on 24 June 2005 will be despatched to the Shareholders on 20 May 2005.

The section headed "8. Material changes since 31 December 2004" in Appendix II to the Circular is reproduced below.

Shareholders are advised to read the Circular, in particular the letter from the Independent Board Committee and the letter of advice from Tai Fook, the independent financial adviser to the Independent Board Committee, before taking any action at the SGM.

### **DESPATCH OF CIRCULAR**

Reference is made to the joint announcements of the Company and Unichina dated 8 April 2005, 28 April 2005 and 5 May 2005 (the "Announcements") in relation to, among other things, the possible change in control of the Company, the Capital Reduction, the increase in authorised share capital of the Company, the Compromise Deed and the Subscription Agreement. Unless the context requires otherwise, terms used in this announcement shall have the same meanings as those defined in the Announcements and the Circular (as defined below).

The Directors announce that the circular (the “Circular”) containing detailed information in relation to, among other things, (i) the Capital Reduction; (ii) the increase in the authorised share capital of the Company; (iii) the Compromise Deed; (iv) the Subscription Agreement; (v) the letter from the Independent Board Committee in respect of the Compromise Deed and the Subscription Agreement; (vi) the letter of advice from Tai Fook, the independent financial adviser to the Independent Board Committee in respect of the Compromise Deed and the Subscription Agreement; and (vii) a notice convening the SGM to be held on 24 June 2005 will be despatched to the Shareholders on 20 May 2005.

## **MATERIAL CHANGES SINCE 31 DECEMBER 2004**

Save as the following, the Directors are not aware of any material changes in the financial or trading position or prospects of the Group since 31 December 2004, the date to which the latest audited consolidated financial statements of the Group were made up:

- (a) on 8 April 2005, the Company announced, among other things, the entering into of the Compromise Deed and the Subscription Agreement (details of which are set out in the paragraphs headed “IV. The Compromise Deed” and “V. The Subscription Agreement” in the letter from the Board in the Circular);
- (b) upon S&P Completion, Unichina and parties acting in concert with it will own in aggregate approximately 51.54% of the issued share capital of the Company as at the Latest Practicable Date; and
- (c) based on the valuation report prepared by Vigers (which is set out in Appendix I to the Circular), the aggregate value of the Properties appreciated from HK\$33,290,000 as at 31 December 2004 to HK\$34,700,000 as at 15 April 2005.

## **GENERAL**

Shareholders are advised to read the Circular, in particular the letter from the Independent Board Committee and the letter of advice from Tai Fook, the independent financial adviser to the Independent Board Committee, before taking any action at the SGM.

As at the date of this announcement, the Board comprises four executive Directors, including Messrs. Lim Teong Leong, Tam Cheok Wing, Ooi Sin Heng and Chan Hon Ming, and three independent non-executive Directors, including Messrs. Wong Ming Shiang, Lim Eng Ho and Soo Tho Him Yip.

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

Hong Kong, 19 May 2005

*The Directors 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, 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.*

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