



Magnum International Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 305)

Unichina Enterprises Limited

(Incorporated in the British Virgin Islands with limited liability)

RESULTS OF THE SPECIAL GENERAL MEETING HELD ON 24 JUNE 2005 RESUMPTION OF TRADING

The Board announces that all the resolutions relating to (1) the Subscription Agreement, together with the issue of the Convertible Bond; (2) the Compromise Deed and the documents scheduled thereto; (3) the Capital Reduction; and (4) the increase in authorised share capital of the Company were not passed by the Independent Shareholders by way of poll at the SGM held on 24 June 2005.

The Directors consider that the conditions precedent to the Sale and Purchase Agreement, the Subscription Agreement and the Compromise Deed are unlikely to be fully fulfilled by 31 July 2005, which is the latest date for fulfillment of the conditions precedent pursuant to the Sale and Purchase Agreement, the Subscription Agreement and the Compromise Deed, and accordingly, the Sale and Purchase Agreement, the Subscription Agreement and the Compromise Deed shall become null and void and have no further effect following 31 July 2005. The Capital Reduction and the increase in the authorised share capital of the Company will not proceed as stated in the Circular. As the relevant parties to the Sale and Purchase Agreement have agreed not to proceed with the S&P Completion, Unichina has no obligation to and will not make the Offers.

Trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on Monday, 27 June 2005 at the request of the Company pending the release of this announcement. Application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 21 July 2005.

Reference is made to the joint announcement of Unichina Enterprises Limited (“Unichina”) and Magnum International Holdings Limited (the “Company”) dated 8 April 2005 and the circular (the “Circular”) dated 20 May 2005 published by the Company to the Shareholders regarding the Capital Reduction, the increase in authorised share capital, the settlement of Shareholder’s Loan by entering into the Compromise Deed and the subscription of Convertible Bond by Unichina by entering into the Subscription Agreement. Capitalised terms used herein have the meanings ascribed thereto in the Circular unless the context herein requires otherwise.

RESULTS OF THE SGM

The Board announces that all the resolutions approving (1) the Subscription Agreement, together with the issue of the Convertible Bond; (2) the Compromise Deed and the documents scheduled thereto; (3) the Capital Reduction; and (4) the increase in authorised share capital of the Company were not passed by the Independent Shareholders by way of poll at the SGM held on 24 June 2005. Resolutions (1) and (2) refer to conditions (iii) and (vii) of the Sale and Purchase Agreement and resolutions (3) and (4) refer to condition (ii) of the Sale and Purchase Agreement, which are set out in the paragraph headed “Conditions of the Sale and Purchase Agreement” below. Resolutions (1), (2) and (3) also refer to certain conditions precedent to the Subscription Agreement and resolution (2) also refers to one of the conditions precedent to the Compromise Deed. Tengis Limited, the Company’s share registrar in Hong Kong, was appointed as the scrutineer at the SGM for the vote-taking.

Set out below are the details of the poll results in respect of the resolutions proposed at the SGM:

Resolutions	For		Against	
	Number of Shares	%	Number of Shares	%
1. Ordinary resolution — To approve the Subscription Agreement, together with the issue of the Convertible Bond	1,402,000	18.89	6,018,000	81.11
2. Ordinary resolution — To approve the Compromise Deed and the documents scheduled thereto	1,402,000	18.89	6,018,000	81.11
3. Special resolution — To approve the Capital Reduction	1,402,000	18.89	6,018,000	81.11
4. Ordinary resolution — To approve the increase in authorised share capital of the Company	1,402,000	18.89	6,018,000	81.11

* The full text of the above resolutions was set out in the Notice of SGM dated 20 May 2005.

As at the date of the SGM, there were a total of 615,024,175 Shares in issue. MGL and its associates (for the purposes of resolutions numbered 1, 3 and 4), together with parties acting in concert with any of them and Shareholders who are involved or interested in the Compromise Deed including the transactions contemplated thereunder other than solely being Shareholders (for the purposes of resolution numbered 2), who in aggregate hold 316,973,680 Shares (representing approximately 51.54% of the total issued Shares), were required to abstain and have abstained from voting on all the above resolutions. A total of 298,050,495 Shares were held by the Independent Shareholders who were entitled to attend and vote at the SGM to approve the above resolutions.

A person (the “Person”) claiming to be representing Shareholder(s) (holding a significant block of Shares) who intended to vote in favour of all the resolutions was declined to vote at the SGM held on 24 June 2005. The Person attended the SGM was declined by Tengis Limited to vote at the SGM for the reason that the name of the party he represented was not in the register of members of the Company. The party alleged that it was deprived of exercising its right as a Shareholder at the SGM. As advised by the legal advisers of the Company, section 19 of the Companies Act, 1981 of Bermuda (the “Act”) provides that “Every...person who agrees to become a member of a company, and whose name is entered in its register of members, shall be a member of the company”. The legal advisers of the Company further advised that under the Act, subject to the provisions of the bye-laws of the company and to any rights or restrictions lawfully attached to any class of shares, only members of a company are entitled to vote at the company’s general meeting. The party that the Person represented cannot therefore be considered a member of the Company within the definition of the Act and the Company’s bye-laws and accordingly, is not entitled to vote at the SGM. Having sought the advice from the legal advisers of the Company based on the procedures conducted at the SGM, the Company’s bye-laws and the Companies Act, 1981 of Bermuda and the fact that a quorum was present at the SGM, the Board considers that the SGM was properly convened and the results are valid.

CONDITIONS OF THE SALE AND PURCHASE AGREEMENT

Pursuant to the Sale and Purchase Agreement, the S&P Completion is conditional upon the following conditions being fulfilled:

- (i) the passing of resolutions of the board of directors of MGL approving the transactions contemplated under the Sale and Purchase Agreement and those resolutions not being amended or revoked;

- (ii) the passing by the Shareholders at the SGM convened of (a) an ordinary resolution for the purpose of approving the increase in the authorised share capital of the Company; and (b) a special resolution for the purpose of approving the Capital Reduction;
- (iii) the passing by the Independent Shareholders (by way of a poll) of ordinary resolutions at the SGM convened for the purpose of approving the transactions contemplated under the Subscription Agreement and the Compromise Deed;
- (iv) the receipt of approval from the SFC for the proposed change in the ultimate substantial shareholder of MISL;
- (v) the receipt of approval from Hong Kong Exchanges and Clearing Limited to the proposed change of control of MISL;
- (vi) the repayment of the overdraft banking facilities made available by lending banks to the Group which are secured by charges granted over certain of the Properties, and the release of such security;
- (vii) the Compromise Deed having become unconditional in all respects;
- (viii) if necessary, the Bermuda Monetary Authority approving or agreeing to approve (a) the Capital Reduction; (b) the issue of the Convertible Bond pursuant to the Subscription Agreement; and (c) the allotment, issue and subsequent transfer of the Conversion Shares upon exercise of the conversion rights attaching to the Convertible Bond;
- (ix) all necessary consents, authorisations or other approvals (or, as the case may be, any relevant waiver) of any kind in connection with the entering into and performance by Unichina or MGL of the terms of the Sale and Purchase Agreement or otherwise affecting the Company as a result of the transactions contemplated by the Sale and Purchase Agreement which may be required under the Listing Rules, by the Stock Exchange or any regulatory authority having been obtained; and
- (x) the current listing of the Shares not having been withdrawn, the Shares continuing to be traded on the Stock Exchange following the issue of the Announcement and prior to S&P Completion (save for any temporary suspension not exceeding ten consecutive trading days pending clearance of any announcement in connection with the Capital Reduction, the Sale and Purchase Agreement, the Subscription Agreement, the Compromise Deed and/or the Offers) and the SFC and the Stock Exchange not having indicated that the listing of the Shares on the Stock Exchange will be withdrawn or objected to and no circumstances existing based on which the SFC could exercise its powers under Rule 8 of the Securities and Futures (Stock Market Listing) Rules 2003 as amended.

As at the date of this announcement, only condition (i) of the Sale and Purchase Agreement has been fulfilled while the rest of the conditions of the Sale and Purchase Agreement remain unfulfilled.

GENERAL

The Directors consider that the conditions precedent to the Sale and Purchase Agreement, the Subscription Agreement and the Compromise Deed are unlikely to be fully fulfilled by 31 July 2005, which is the latest date for fulfillment of the conditions precedent pursuant to the Sale and Purchase Agreement, the Subscription Agreement and the Compromise Deed, and accordingly, the Sale and Purchase Agreement, the Subscription Agreement and the Compromise Deed shall become null and void and have no further effect following 31 July 2005. The Capital Reduction and the increase in the authorised share capital of the Company will not proceed as stated in the Circular. As the relevant parties to the Sale and Purchase Agreement have agreed not to proceed with the S&P Completion, Unichina has no obligation to and will not make the Offers.

The Offers lapse based on Rule 31.1 (a) of the Takeovers Code. Pursuant to Rule 31.1 of the Takeovers Code, the Executive's consent is required if Unichina or any person who acts in concert with it in the course of the Offers or any person who is subsequently acting in concert with any of them within a period

of 12 months from the date of this announcement (i) announces an offer or possible offer for the Company (including a partial offer which could result in Unichina holding Shares carrying 30% or more of the voting rights of the Company); or (ii) acquires any voting rights of the Company if Unichina or persons acting in concert with it would thereby become obliged under Rule 26 of the Takeovers Code to make an offer.

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

By order of the sole director of
Unichina Enterprises Limited
Wong Kwong Miu
Sole director

Hong Kong, 20 July 2005

As at the date of this announcement, the Board comprises:

Executive Directors:

Mr. Lim Teong Leong
Mr. Tam Cheok Wing
Mr. Ooi Sin Heng
Mr. Chan Hon Ming

Independent non-executive Directors:

Mr. Wong Ming Shiang
Mr. Lim Eng Ho
Mr. Soo Tho Him Yip

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information relating to Unichina) 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.

The sole director of Unichina accepts full responsibility for the accuracy of the information contained in this announcement (other than information relating to the Company, MCB and MGL) and confirms, having made all reasonable enquiries, that to the best of his 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**)*