



Magnum International Holdings Limited

(incorporated in Bermuda with limited liability)

(Stock code: 305)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “SGM”) of Magnum International Holdings Limited (the “Company”) will be held at 10:30 a.m. on 23 May 2006 at 27/F, Two Exchange Square, 8 Connaught Place, Central, Hong Kong for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions numbered 3, 4 and 5 as ordinary resolutions and 1 and 2 as a special resolution as indicated:

SPECIAL RESOLUTION NO. 1

“THAT, conditional on (i) the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the shares of HK\$0.001 each in the capital of the Company following the Capital Reduction (as defined below) becoming effective; (ii) compliance with Section 46 of the Companies Act 1981 of Bermuda; and (iii) the passing of Ordinary Resolution Nos. 3, 4 and 5 below, with effect from 25 May 2006 (Hong Kong time), or such other day and at such time as the board of directors of the Company may determine:

- (a) the issued share capital of the Company be reduced from the amount of HK\$61,502,417.50 to HK\$615,024.175 by HK\$60,887,393.325 and the par value of each share in issue be reduced from HK\$0.10 to HK\$0.001 by cancelling the paid up capital to the extent of HK\$0.099 on each share of HK\$0.10 in issue in the issued share capital of the Company on the date of this resolution (“Capital Reduction”) so that each issued share shall be treated as one fully paid up share of HK\$0.001 in the capital of the Company (“Share”) and any liability of the holders of such Shares to make any further contribution to the capital of the Company on each such Share shall be treated as satisfied;
- (b) subject to and forthwith upon the Capital Reduction taking effect, each authorized but unissued share of HK\$0.10 in the capital of the Company be subdivided into 100 shares of HK\$0.001 each;
- (c) subject to and forthwith upon the Capital Reduction taking effect, the credit arising from the cancellation of paid up capital be transferred to the contributed surplus account of the Company where it will be utilised in accordance with the bye-laws of the Company and all applicable laws including, but not limited to, applied towards setting off the accumulated losses of the Company; and
- (d) any one of the directors of the Company be and is hereby authorised generally to do all such acts, deeds and things as he shall, in his absolute discretion, deem appropriate to effect and implement any of the foregoing.”

SPECIAL RESOLUTION NO. 2

“THAT, conditional on the passing of Ordinary Resolution Nos. 3, 4 and 5 below,

- (a) upon the capital reduction as set out in Special Resolution No. 1 becoming effective, 1,521,400,000 new convertible non-voting preference shares of par value HK\$0.001 each (the “Convertible Preference Shares”) be created in the capital of the Company, having the rights and restrictions as set out in the amendments to the bye-laws of the Company under paragraph (b) of this Special Resolution No. 2, and the authorised shares capital of the Company be thereby increased from HK\$ 100,000,000 divided into 100,000,000,000 ordinary shares of HK\$0.001 each to HK\$101,521,400 comprising HK\$100,000,000 divided into 100,000,000,000 ordinary shares of HK\$0.001 each and HK\$1,521,400 divided into 1,521,400,000 Convertible Preference Shares of HK\$0.001 each;

- (b) the existing bye-laws of the Company (“Bye-law”) be altered by (i) the insertion of a new definition of “Convertible Preference Share(s)” immediately after the existing definition of “share(s)” in Bye-law 1 as follows: “Convertible Preference Shares” shall mean convertible non-voting preference shares of par value HK\$0.001 each in the share capital of the Company, which have the rights and are subject to the limitations and restrictions as set out in Bye-law 6(C) of these Bye-laws;”; and (ii) the insertion of new Bye-law 6(C) in the Bye-laws, in the form as set out in the document produced to this meeting marked Exhibit “A” and signed by the Chairman for the purpose of identification, to incorporate into the Bye-laws the rights and restriction attaching to the Convertible Preference Shares; and
- (c) any two directors of the Company be authorised to take all such actions, execute all such documents and do all such other things on behalf of the Company as they may, in their absolute discretion, consider necessary, desirable or expedient to give effect to this Special Resolution No. 2 including without limitation the implementation of the amendments to the Bye-laws and the issue and allotment of the Convertible Preference Shares.”

ORDINARY RESOLUTION NO. 3

“THAT,

- (a) the Subscription Agreement (as defined in the Company’s circular to shareholders dated 29 April 2006 (the “Circular”) of which this notice of SGM forms a part) (a copy of which has been produced to this meeting marked document “B” and signed by the Chairman of the meeting for identification purposes) entered into on 30 March 2006 between the Company, Dragon Hill Development Limited, Magnum Corporation Berhad and Mr. Lee Shing and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and that any one director of the Company be and is hereby authorised, with full power, to do all things and sign or execute all documents on behalf of the Company which may in his opinion be necessary or desirable for the purpose of giving effect to the Subscription Agreement or any matters relating thereto; and
- (b) the issue of the Convertible Preference Shares (as defined in the Company’s circular to shareholders dated 29 April 2006 (the “Circular”) upon and subject to the terms and conditions contained in the Bye-law (as amended by Special Resolution No. 1) be and is hereby approved and confirmed, and that any two directors of the Company or any one director and the secretary of the Company, be and are hereby authorised to execute a share certificate (or certificates) representing the Convertible Preference Shares and affix the common seal of the Company thereto for and on behalf of the Company, and any one director of the Company (in any case where the common seal of the Company is required to be affixed, then any two directors or any one director and the secretary, of the Company) be authorised, with full power, to do all things and sign or execute all documents on behalf of the Company which may in his (or their) opinion be necessary or desirable in connection with the issue of the Convertible Preference Shares, the share certificates or any matters relating thereto and the directors of the Company be and are authorised to allot, issue and deal with additional shares in the capital of the Company which may fall to be allotted and issued upon conversion rights attached to the Convertible Preference Shares.”

ORDINARY RESOLUTION NO. 4

“THAT, the Disposal Agreement (as defined in the Company’s circular to shareholders dated 29 April 2006 (the “Circular”) of which this notice of SGM forms a part) (a copy of which has been produced to this meeting marked document “C” and signed by the Chairman of the meeting for identification purposes) entered into on 30 March 2006 between the Watary Investment Limited and Magnum (Guernsey) Limited and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified.”

ORDINARY RESOLUTION NO. 5

“THAT, the Deed of Settlement (as defined in the Company’s circular to shareholders dated 29 April 2006 of which this notice of SGM forms a part) (a copy of which has been produced to this meeting marked document “D” and signed by the Chairman of the meeting for identification purposes) entered into on 30 March 2006 between the Company, Dragon Hill Development Limited, Magnum (Guernsey) Limited, Magnum Corporation Berhad and Magnum Investment Limited and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and that any one director of the Company (in any case where the common seal of the Company is required to be affixed, then any two directors or any one director and the secretary, of the Company) be and is hereby authorised, with full power, to do all things and sign or execute all documents on behalf of the Company which may in his opinion be necessary or desirable for the purpose of giving effect to the Deed of Settlement or any matters relating thereto.”

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

Hong Kong, 29 April 2006

Notes:

1. Any member entitled to attend and vote at the meeting of the Company is entitled to appoint one or more than one proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy in respect of part only of his holding of shares in the Company to represent him and vote on his behalf at the meeting of the Company. A proxy need not be a member of the Company. In addition, a proxy or proxies representing either an individual member or a member which is a corporation, shall be entitled to exercise the same powers on behalf of the member which he or they represent as such member could exercise.
2. A form of proxy for use at the meeting is enclosed.
3. The instrument appointing a proxy and (if required by the board of directors of the Company) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power of authority, shall be delivered to the Company’s branch share registrar, Tengis Limited at 26/F., Tesbury Centre, 28 Queen’s Road East, Hong Kong not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, and in default the instrument of proxy shall not be treated as valid.

As at the date of this notice, the board of directors of the Company comprises Mr. Lim Teong Leong, Mr. Tam Cheok Wing, Mr. Ooi Sin Heng and Mr. Chan Hon Ming as executive directors of the Company and Mr. Wong Ming Shiang and Mr. Lim Eng Ho as independent non-executive directors of the Company.

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