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**Magnum International Holdings Limited**

*(incorporated in Bermuda with limited liability)*

**(Stock code: 305)**

**DRAGON HILL DEVELOPMENT LIMITED**

*(incorporated in Samoa with limited liability)*

## **JOINT ANNOUNCEMENT**

**Mandatory unconditional cash offers by  
Celestial Capital Limited  
on behalf of Dragon Hill Development Limited  
for all the issued shares in, and all outstanding share options of,  
Magnum International Holdings Limited  
(other than those already owned by or agreed to be acquired by  
Dragon Hill Development Limited or parties acting in concert with it)**

**Despatch of the Composite Document  
and  
Appointment of Directors**

**Financial adviser to  
Dragon Hill Development Limited**

**CASH**

**Celestial Capital Limited**

**Financial adviser to  
Magnum International Holdings Limited**

**東 ORIENTAL  
英 PATRON**

**Oriental Patron Asia Limited**

**Independent financial adviser to the independent board committee of  
Magnum International Holdings Limited**



**KINGSTON CORPORATE FINANCE LIMITED**

## **DESPATCH OF THE COMPOSITE DOCUMENT**

The Composite Document containing, among other things, details of the Offers, the letter from Celestial Capital, the letter from the Board, the letter from the Independent Board Committee setting out its recommendations to the Independent Shareholders and the Optionholders in respect of the Offers and the letter from Kingston setting out its advice to the Independent Board Committee in respect of the Offers, together with the Forms of Acceptance in respect of the Offers, will be despatched to the Independent Shareholders and the Optionholders on 22 June 2006.

The Independent Shareholders and the Optionholders are encouraged to read the Composite Document carefully, including the recommendations from the Independent Board Committee to the Independent Shareholders and the Optionholders, and the advice from Kingston to the Independent Board Committee, before deciding whether or not to accept the Share Offer and the Option Offer respectively.

The latest time and date for acceptance of the Offers, unless otherwise revised or extended with the consent of the Executive, will be at 4:00 p.m. on 13 July 2006.

## **APPOINTMENT OF DIRECTORS**

The Offeror has nominated Mr. Lee Shing and Ms. Liu Yaling as the executive Directors and Mr. Yu Xiumin, Mr. Zuo Duofu and Mr. Cheng Kin Wah, Thomas as the independent non-executive Directors, whose appointment will become effective from 22 June 2006 after the posting of the Composite Document in accordance with Rule 26.4 of the Takeovers Code.

References are made to (i) the joint announcement made by Magnum International Holdings Limited (the “**Company**”) and Dragon Hill Development Limited dated 30 March 2006; (ii) the circular issued by the Company dated 29 April 2006 (the “**Circular**”); and (iii) the announcement made by the Company dated 23 May 2006. Unless otherwise defined, the terms used in this announcement shall follow the same meanings as the defined terms in the Circular and the composite offer and response document (the “**Composite Document**”) to be despatched to the Shareholders and the Optionholders on 22 June 2006.

## **DESPATCH OF THE COMPOSITE DOCUMENT**

The Composite Document containing, among other things, details of the Offers, the letter from Celestial Capital, the letter from the Board, the letter from the Independent Board Committee setting out its recommendations to the Independent Shareholders and the Optionholders in respect of the Offers and the letter from Kingston setting out its advice to the Independent Board Committee in respect of the Offers, together with the Forms of Acceptance in respect of the Offers, will be despatched to the Independent Shareholders and the Optionholders on 22 June 2006.

The Independent Shareholders and the Optionholders are encouraged to read the Composite Document, together with the Forms of Acceptance, carefully, including the recommendations from the Independent Board Committee to the Independent Shareholders and the Optionholders, and the advice from Kingston to the Independent Board Committee, before deciding whether or not to accept the Share Offer and the Option Offer respectively.

The latest time and date for acceptance of the Offers, unless otherwise revised or extended with the consent of the Executive, will be at 4:00 p.m. on 13 July 2006.

## **EXPECTED TIMETABLE**

**2006**

*(Hong Kong time)*

Despatch date of the Composite Document and the accompanying Forms of Acceptance and commencement of the Offers ( <i>Note 1</i> ) . . . . .	22 June
Latest time and date for acceptance of the Offers . . . . .	4:00 p.m. on 13 July
Closing Date of the Offers ( <i>Note 2</i> ). . . . .	13 July
Announcement of the results of the Offers to be posted on the Stock Exchange’s website. . . . .	7:00 p.m. on 13 July
Announcement of the results of the Offers to be published in newspapers. . . . .	14 July
Latest date for posting of remittances for the amounts due under the Offers in respect of valid acceptances received on or before the Closing Date ( <i>Note 3</i> ) . . . . .	23 July

**Shareholders and Optionholders should note that the above timetable is subject to change. Further announcement(s) will be made in the event that there is any change.**

### *Notes:*

1. The Offers will be made on 22 June 2006, being the date of posting of the Composite Document, and will be capable of acceptance on and from that date until the Closing Date.
2. The Offers, which are unconditional, will be closed on 13 July 2006 unless the Offeror revises or extends the Offers in accordance with the Takeovers Code. An announcement will be issued through the Stock Exchange’s website by 7:00 p.m. on 13 July 2006 stating whether the Offers have been revised or extended or have expired. In the event that the Offeror decides that the Offers will remain open

until further notice, at least 14 days' notice in writing will be given, before the Offers are closed, to those Independent Shareholders and Optionholders who have not accepted the Offers. For further details, please refer to the paragraph headed "Acceptance period and revisions" in Appendix I to the Composite Document.

3. The Offers are unconditional. Acceptance of the Offers shall be irrevocable and not capable of being withdrawn, except in the circumstances set out in Rule 19.2 of the Takeovers Code.
4. Remittances in respect of the cash consideration payable for the Shares and the Options tendered under the Offers will be posted to the relevant Shareholders and Optionholders by ordinary post at their own risk as soon as practicable, but in any event within 10 days after the receipt of all relevant documents by the Registrar from the Shareholders or by the company secretary of the Company from the Optionholders which render the relevant acceptances under the Offers complete and valid.

**The Stock Exchange has stated that if, at the close of the Offers, less than the minimum prescribed percentage applicable to the Company, being 25%, of the Shares are held by the public, or if the Stock Exchange believes that:**

- (i) a false market exists or may exist in trading of the Shares; or
- (ii) there are insufficient Shares in public hands to maintain an orderly market,

**it will consider exercising its discretion to suspend dealings in the Shares.**

**The Offeror intends that the Company will remain listed on the Stock Exchange after the close of the Offers and does not intend to exercise any rights to compulsorily acquire all the Shares. Mr. Lee, the sole director of the Offeror and a new Director whose appointment will become effective on 22 June 2006 after the posting of the Composite Document in accordance with Rule 26.4 of the Takeovers Code, and all other new Directors (please refer to the following section headed "Appointment of Directors" for the biographical details of all the new Directors to be appointed) whose appointment will also become effective on 22 June 2006 after the posting of the Composite Document in accordance with Rule 26.4 of the Takeovers Code, will jointly and severally undertake to the Stock Exchange to take appropriate steps following the close of the Offers to ensure that the minimum public float requirement under the Listing Rules is complied with by the Company.**

## **APPOINTMENT OF DIRECTORS**

The Offeror has nominated Mr. Lee and Ms. Liu Yaling as the executive Directors and Mr. Yu Xiumin, Mr. Zuo Duofu and Mr. Cheng Kin Wah, Thomas as the independent non-executive Directors (together as the "New Directors"), whose appointment will become effective from 22 June 2006 after the posting of the Composite Document in accordance with Rule 26.4 of the Takeovers Code. Set out below are their respective biographical details:

### **Executive Directors:**

*Mr. LEE Shing*

Mr. Lee, aged 48, will be appointed as the chairman of the Board and an executive Director. He has more than 20 years' experience in trading as well as property and industrial investment in both Hong Kong and the PRC. For examples, Mr. Lee controls (i) 吉林市吉山汽車部件製造有限公司 (Jilin City Jishan Car Spare Parts Manufacturing Limited), which is a PRC company in Jilin, the PRC principally engaged in the manufacturing of car spare parts, and (ii) Dragon Hill Development Limited, a Hong Kong company which has invested in a property development project in Dongguan, the PRC and used to be engaged in trading of papers, construction materials, plastic and car spare parts. He is the Hong Kong representative in the Committee of The Chinese People's Political Consultative Conference of Liujiang County, Liuzhou, Guangxi Province, the PRC.

Mr. Lee is the sole shareholder and sole director of the Offeror, the controlling Shareholder which holds (i) 316,973,680 Shares, representing approximately 51.54% of the Company's entire issued share capital; and (ii) the Convertible Preference Shares, as at the date of this announcement. Accordingly, Mr. Lee is

deemed to be interested in such 316,973,680 Shares and the Convertible Preference Shares held by the Offeror. Save as aforesaid, Mr. Lee does not have any interests in Shares within the meaning of Part XV of the SFO.

*Ms. LIU Yaling*

Ms. Liu, aged 30, will be appointed as an executive Director. She graduated from 長春光學精密機械學院 (Changchun Institute of Optics and Fine Mechanics) (currently known as “長春理工大學 (Changchun University of Science and Technology)”) and is a qualified accountant in the PRC. She has approximately 8 years of experience in the finance and accounting industry in the PRC.

### **Independent non-executive Directors:**

*Mr. YU Xiumin*

Mr. Yu, aged 46, will be appointed as an independent non-executive Director. He holds a doctorate degree in engineering. Mr. Yu has over 9 years of experience in the engine and machinery related teaching and research.

*Mr. ZUO Duofu*

Mr. Zuo, aged 62, will be appointed as an independent non-executive Director. He graduated from Department of Journalism of 暨南大學 (Jinan University). Mr. Zuo has over 25 years of experience in the media industry in the PRC. He is a representative of 廣東作家代表大會 (Congress of Writers' Representatives in Guangdong) and a member of president group of 廣東作家協會 (Guangdong Writer Association).

*Mr. CHENG Kin Wah, Thomas*

Mr. Cheng, aged 40, graduated from the Hong Kong Polytechnic University with a Professional Diploma in Accountancy in 1988. Mr. Cheng is an associate member of the Hong Kong Institute of Certified Public Accountants in Hong Kong. Mr. Cheng had extensive experience in the field of auditing and accounting.

Save as Mr. Lee's interest in the Offeror disclosed in this announcement, each of the New Directors does not have any other relationship with any other Directors, senior management, substantial Shareholders or controlling Shareholders and did not hold any directorship of any listed companies in the last three years.

Save as Mr. Lee's deemed interest in the Shares and the Convertible Preference Shares disclosed in this announcement, as at the date of this announcement, each of the New Directors does not have any interests in Shares within the meaning of Part XV of the SFO.

The New Directors are not appointed with a fixed term of service with the Company and do not have any proposed length of service with the Company in respect of their directorship. They will be subject to retirement by rotation and re-election at the Company's forthcoming annual general meeting in accordance with the bye-laws of the Company.

The amount of directors' emoluments of the New Directors will be determined by the Board with reference to their relevant duties and responsibilities within the Group and prevailing market conditions. In relation to the appointments of the New Directors, there are no information to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders. Save as disclosed above, the Offeror does not intend to make any changes to the existing management and employment of the employees of the Group.

By order of the board of directors of  
**Magnum International Holdings Limited**  
**Ooi Sin Heng**  
*Director*

By order of the sole director of  
**Dragon Hill Development Limited**  
**Lee Shing**  
*Sole director*

Hong Kong, 21 June 2006

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

<i>Executive Directors:</i>	<i>Independent non-executive Directors:</i>
Mr. Lim Teong Leong	Mr. Wong Ming Shiang
Mr. Tam Cheok Wing	Mr. Lim Eng Ho
Mr. Ooi Sin Heng	
Mr. Chan Hon Ming	

*The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information relating to the Offeror and its associates) 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 the Offeror accepts full responsibility for the accuracy of the information contained in this announcement (other than information relating to the Group, MCB, MGL, MESB and MIL and their respective associates) 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 Standard**.*