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Magnum International Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock code: 305)

(1) MAJOR TRANSACTION; (2) APPOINTMENT OF DIRECTORS; AND (3) CHANGE OF QUALIFIED ACCOUNTANT AND COMPANY SECRETARY

MAJOR TRANSACTION

On 3 August 2006, the Purchaser and the Vendor entered into the Agreement, pursuant to which the Purchaser has agreed to acquire and the Vendor has agreed to sell the Property at a consideration of HK\$15,300,000.

The terms of the Agreement, including the consideration for the Acquisition, were determined after arm's length negotiation between the Purchaser and the Vendor with reference to the prevailing market value of other office premises of comparable size and quality in the area where the Property is located and the factors set out in the paragraph headed "Reasons for entering into the Agreement" below. The Directors, including the independent non-executive Directors, are of the view that the Acquisition is conducted on normal commercial terms and the terms are fair and reasonable to and in the interests of the Company and the Shareholders as a whole.

The Acquisition constitutes a major transaction of the Company under Rule 14.06(3) of the Listing Rules and is subject to the notification, publication and shareholders' approval requirements under the Listing Rules. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendor and its ultimate owners are third parties independent of the Directors, chief executive or the substantial Shareholders or its subsidiaries or their respective associates. On this basis, the Directors believe that no Shareholder has a material interest in the Acquisition and hence, no Shareholder should be required to abstain from voting to approve the Acquisition. Dragon Hill, the controlling Shareholder which is interested in approximately 51.62% issued share capital of the Company as at the date of the Acquisition, has given its written consent to the Company to execute the Acquisition which is accepted in lieu of holding the relevant general meeting in accordance with Rule 14.44 of the Listing Rules.

A circular containing, among other things, a valuation report on the Property prepared by a professional property valuer and further information in relation to the Acquisition will be despatched to the Shareholders as soon as practicable.

APPOINTMENT OF DIRECTORS

The Board announces Mr. Wang Shaohua and Mr. Pei Qingrong have been appointed as the executive Directors.

CHANGE OF QUALIFIED ACCOUNTANT AND COMPANY SECRETARY

The Board announces that Mr. Chui Chi Yun, Robert has resigned as the company secretary of the Company and Ms. Lau Ka Fung, Connie has resigned as the qualified accountant of the Company. The Board also announces that Mr. Leung Siu Kuen has been appointed as the company secretary and the qualified accountant of the Company.

THE AGREEMENT

Date of the Agreement:

3 August 2006

The parties to the Agreement:

Purchaser: The Purchaser, a wholly-owned subsidiary of the Company

Vendor: The Vendor

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendor and its ultimate owners are third parties independent of the Directors, chief executive or the substantial Shareholders or its subsidiaries or their respective associates

The Property is acquired through a property agent who is a third party independent of the Directors, chief executive of the Company or the substantial Shareholders or its subsidiaries or their respective associates.

Property to be acquired:

Units 504, 505 and 506, 5th Floor, China Insurance Group Building, 141 Des Voeux Road, Central, Hong Kong with a gross floor area of approximately 4,300 sq.ft.. The Property is currently used as the office premises of the Vendor.

Terms of the Agreement:

The consideration for the Acquisition is HK\$15,300,000, which has been or will be (as applicable) paid by the Purchaser to the Vendor by cash as follows:

- (i) HK\$1,530,000 being the initial deposit representing approximately 10% of the consideration has been paid on the signing of the Agreement; and
- (ii) the balance of HK\$13,770,000 will be paid upon completion of the Agreement on or before 5 October 2006.

The consideration for the Acquisition is expected to be financed 30% by the Group's internal resources and 70% bank borrowings.

The terms of the Agreement, including the consideration for the Acquisition, were determined after arm's length negotiation between the Purchaser and the Vendor with reference to the prevailing market value of other office premises of comparable size and quality in the area where the Property is located and the factors set out in the paragraph headed "Reasons for entering into the Agreement" below.

The Directors are of the view that the Acquisition is conducted on normal commercial terms and the terms are fair and reasonable to and in the interests of the Company and the Shareholders as a whole.

Completion of the Agreement

The Directors estimate that the Agreement will be completed on or before 5 October 2006 with vacant possession.

REASONS FOR ENTERING INTO THE AGREEMENT

The Group is principally engaged in securities dealing and margin finance, money lending, and property investment.

The Company would like to relocate its office premises and the Property will be used as the Group's office premises. The Property is considered by the Directors to be a good property investment opportunity with reference to the prevailing market value of other office premises of comparable size and quality in the area. The Directors are of the view that the Acquisition is conducted on normal commercial terms and the terms are fair and reasonable to and in the interests of the Company and the Shareholders as a whole.

GENERAL

The Acquisition constitutes a major transaction of the Company under Rule 14.06(3) of the Listing Rules and is subject to the notification, publication and shareholders' approval requirements under the Listing Rules. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendor and its ultimate owners are third parties independent of the Directors, chief executive or the substantial Shareholders or its subsidiaries or their respective associates. On this basis, the Directors believe that no Shareholder has a material interest in the Acquisition and hence, no Shareholder should be required to abstain from voting to approve the Acquisition. Dragon Hill, the controlling Shareholder which is interested in approximately 51.62% issued share capital of the Company as at the date of the Acquisition, has given its written consent to the Company to execute the Acquisition which is accepted in lieu of holding the relevant general meeting in accordance with Rule 14.44 of the Listing Rules.

A circular containing, among other things, a valuation report on the Property prepared by a professional property valuer and further information in relation to the Acquisition will be despatched to the Shareholders as soon as practicable.

APPOINTMENT OF DIRECTORS

The Board announces Mr. Wang Shaohua and Mr. Pei Qingrong have been appointed as the executive Directors. Set out below are their respective biographical details:

Mr. Wang Shaohua

Mr. Wang, aged 70, has been appointed as an executive Director. He has extensive experience in the car manufacturing industry in the PRC.

Mr. Pei Qingrong

Mr. Pei, aged 70, has been appointed as an executive Director. He is a senior engineer in car manufacturing in the PRC. He has extensive experience in the car manufacturing industry in the PRC.

Mr. Wang and Mr. Pei do 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.

As at the date of this announcement, Mr. Wang and Mr. Pei do not have any interests in Shares within the meaning of Part XV of the SFO.

Mr. Wang and Mr. Pei 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 Mr. Wang and Mr. Pei will be determined by the Board with reference to their relevant duties and responsibilities within the Group and prevailing market conditions and information on their emoluments will be provided in further announcements. In relation to the

appointments of Mr. Wang and Mr. Pei, 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.

CHANGE OF QUALIFIED ACCOUNTANT AND COMPANY SECRETARY

The Board announces that Mr. Chui Chi Yun, Robert has resigned as the company secretary of the Company and Ms. Lau Ka Fung, Connie has resigned as the qualified accountant of the Company. Mr. Chui and Ms. Lau have confirmed that there is no disagreement between the Board and them and that there is no other matter in relation to Mr. Chui's and Ms. Lau's respective resignations as the company secretary and the qualified accountant of the Company that needs to be brought to the attention of the Shareholders.

The Board also announces that Mr. Leung Siu Kuen has been appointed as the company secretary and the qualified accountant of the Company. Mr. Leung is a member of Hong Kong Institute of Certified Public Accountants and an Associate of the Chartered Institute of Management Accountants and has twenty years' experience in accounting and finance.

The Board would like to take this opportunity to express its appreciation for Mr. Chui's and Ms. Lau's contribution towards the Company. The Board would also like to welcome Mr. Leung to join the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Acquisition”	the acquisition by the Purchaser of the Property from the Vendor pursuant to the Agreement
“Agreement”	the agreement dated 3 August 2006 entered into by the Purchaser and the Vendor pursuant to which the Purchaser has agreed to acquire and the Vendor has agreed to sell the Property
“Board”	the board of the Directors
“Company”	Magnum International Holdings Limited, a company incorporated in Bermuda and the securities of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Dragon Hill”	Dragon Hill Development Limited, (i) a company incorporated in Samoa which is solely owned by Mr. Lee Shing, an executive Director; and (ii) the controlling Shareholder which is interested in approximately 51.62% issued share capital of the Company as at the date of this announcement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	The Peoples' Republic of China

“Property”	Units 504, 505 and 506, 5th Floor, China Insurance Group Building, 141 Des Voeux Road, Central, Hong Kong
“Purchaser”	Hilcrest Limited, a wholly-owned subsidiary of the Company and the purchaser of the Property
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	China Point Finance Limited, which is principally engaged in securities trading and is an independent third party not connected with the Directors, chief executive or substantial shareholders of the Company or its subsidiaries or their respective associates

By order of the Board
Magnum International Holdings Limited
Lee Shing
Executive Director

Hong Kong, 3 August 2006

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

Executive Directors:

Mr. Lee Shing
Ms. Liu Yaling
Mr. Wang Shaohua
Mr. Pei Qingrong

Independent non-executive Directors:

Mr. Yu Xiumin
Mr. Zuo Duofu
Mr. Cheng Kin Wah, Thomas

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