



# Magnum International Holdings Limited

*(Incorporated in Bermuda with limited liability)*

(Stock code: 305)

## DESPATCH OF THE PROSPECTUS DOCUMENTS IN RELATION TO THE RIGHTS ISSUE AND ADJUSTMENTS IN RELATION TO THE CONVERTIBLE PREFERENCE SHARES

Manager to the Rights Issue

**CAOSH**

Celestial Capital Limited

### DESPATCH OF THE PROSPECTUS DOCUMENTS IN RELATION TO THE RIGHTS ISSUE

The Company will despatch the Prospectus Documents, which include the Prospectus containing, among other things, details of the Rights Issue, the PAL and the EAF, to each of the Qualifying Shareholders and, for information only, the Prospectus to each of the Excluded Shareholders on 17 August 2006.

### ADJUSTMENTS IN RELATION TO THE CONVERTIBLE PREFERENCE SHARES

The Rights Issue will cause adjustments to the conversion price of the Convertible Preference Shares and the number of Shares to be issued upon exercise of the conversion rights attaching to the Convertible Preference Shares. In accordance with the terms and conditions of the subscription agreement dated 30 March 2006 in relation to the Convertible Preference Shares, the Conversion Price shall be adjusted from HK\$0.03155 per Share to HK\$0.02372 per Share with effect from 17 August 2006.

Reference is made to the announcement (“Announcement”) made by Magnum International Holdings Limited (the “Company”) dated 28 July 2006. Unless otherwise defined, the terms used in this announcement shall follow the same meanings as the defined terms in the Announcement.

### DESPATCH OF THE PROSPECTUS DOCUMENTS IN RELATION TO THE RIGHTS ISSUE

The Prospectus Documents, which include the Prospectus containing, among other things, details of the Rights Issue, the PAL and the EAF, will be despatched to each of the Qualifying Shareholders and, for information only, the Prospectus to each of the Excluded Shareholders on 17 August 2006.

### WARNING OF RISKS OF DEALING IN SHARES

The Rights Shares will be dealt in their nil-paid form from 21 August 2006 to 28 August 2006, both days inclusive. Shareholders and potential investors should note that dealings in the Shares and nil paid Rights Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled. Any Shareholder or other person dealing in the Shares and nil-paid Rights Shares up to the date on which all conditions to the Underwriting Agreement are fulfilled (which is expected to be 5 September 2006) will accordingly bear the risk that the Rights Issue may

not become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about their position, is recommended to consult their own professional adviser.

## **ADJUSTMENTS IN RELATION TO THE CONVERTIBLE PREFERENCE SHARES**

The Rights Issue will cause adjustments to the conversion price of the Convertible Preference Shares (“Conversion Price”) and the number of Shares to be issued upon exercise of the conversion rights attaching to the Convertible Preference Shares. In accordance with the terms and conditions of the subscription agreement dated 30 March 2006 in relation to the Convertible Preference Shares, the Conversion Price shall be adjusted from HK\$0.03155 per Share to HK\$0.02372 per Share with effect from 17 August 2006.

The above adjustment in relation to the Conversion Price upon announcement of the Rights Issue has been computed and certified by Celestial Capital Limited, a merchant bank appointed by the Company, in accordance with the terms and conditions of the Convertible Preference Shares.

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

Hong Kong, 16 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**.*