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## **Magnum International Holdings Limited**

*(incorporated in Bermuda with limited liability)*

**(Stock code: 305)**

### **MONTHLY ANNOUNCEMENT IN RESPECT OF CONVERTIBLE PREFERENCE SHARES**

The Company makes this announcement as per the requirement of the Stock Exchange in respect of the Conversion Shares to be allotted and issued upon the exercise of the conversion rights attached to the Convertible Preference Shares.

For the month of September 2006, on 26 September 2006 Dragon Hill exercised the conversion rights attached to the Convertible Preference Shares and 1,300,000,000 Conversion Shares are issued.

References are made to (i) the joint announcement made by Magnum International Holdings Limited (the “Company”) and Dragon Hill Development Limited (“Dragon Hill”) dated 30 March 2006; (ii) the circular issued by the Company dated 29 April 2006 (the “Circular”); (iii) an announcement made by the Company dated 16 August 2006 (“Adjustment Announcement”); and (iv) an announcement made by the Company dated 26 September 2006 (“Conversion Announcement”). Unless otherwise defined, the terms used in this announcement shall have the same meanings as those defined in the Conversion Announcement.

The Company makes this announcement as per the requirement of the Stock Exchange in respect of the Conversion Shares to be allotted and issued upon the exercise of the conversion rights attached to the Convertible Preference Shares.

Upon the Subscription Completion which took place on 20 June 2006, 1,521,400,000 Convertible Preference Shares were issued to Dragon Hill. As disclosed in the Adjustment Announcement, the Conversion Price was adjusted to HK\$0.02372 per Share. The number of Shares convertible by the Convertible Preference Shares thus became 2,023,615,935 Shares.

The Directors would like to report that for the month of September 2006, on 26 September 2006 Dragon Hill exercised the conversion rights attached to the Convertible Preference Shares and 1,300,000,000 Conversion Shares are issued at

the Conversion Price of HK\$0.02372 per Share. Such 1,300,000,000 Conversion Shares represents approximately 58.49% of the enlarged issued share capital of the Company. Accordingly, 723,615,935 Shares are convertible by the remaining Convertible Preference Shares as at 30 September 2006. Information regarding the total issued ordinary share capital of the Company as at 1 September 2006 and 30 September 2006 is set out below:

	<b>Aggregate nominal value of the Shares (HK\$)</b>	<b>Number of Shares</b>
As at 1 September 2006	615,024	615,024,175
Total number of Conversion Shares issued thereby	1,300,000	1,300,000,000
Total number of new Shares issued pursuant to other transactions		
— the Rights Issue	<u>307,512</u>	<u>307,512,087</u>
As at 30 September 2006	<u><u>2,222,536</u></u>	<u><u>2,222,536,262</u></u>

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

Hong Kong, 10 October 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