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If you have sold or transferred all your shares in Magnum International Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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Magnum International Holdings Limited

萬能國際集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 305)

PROPOSALS FOR

ISSUE OF WARRANTS

AND CHANGE OF COMPANY NAME

A notice convening the special general meeting of Magnum International Holdings Limited to be held at Room 505, 5/F, China Insurance Group Building, 141 Des Voeux Road Central, Hong Kong on Saturday, 23 December 2006 at 10:00 a.m. is set out on pages 11 to 14 of this circular. Whether or not you are able to attend the special general meeting, please complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar of Magnum International Holdings Limited in Hong Kong, Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the special general meeting or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the special general meeting or any adjourned meeting (as the case may be) should you so wish.

* For identification purposes only

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DEFINITIONS

In this circular, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Asia Enterprises”	Asia Enterprises Limited, a company incorporated in the Republic of Seychelles and owned by an independent third party not connected with the Company or any of its subsidiaries or any of their respective directors, chief executives or substantial shareholders or any of their respective associates as at the date of this circular
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“business day”	a day (other than Saturday and Sunday) on which banks in Hong Kong are generally open for business
“Company”	Magnum International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Completion”	with respect to each of the Subscription Agreements, completion of the relevant Subscription
“Completion Date”	with respect to each of the Subscription Agreements, the date on which Completion takes place in accordance with the terms of the relevant Subscription Agreement
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Expiry Date”	the third anniversary of the Completion Date, (or if that day is not a business day, the business day immediately thereafter)
“First Subscription Agreement”	the subscription agreement dated 13 November 2006 entered into between the Company and Gao Bao Development in relation to its subscription of Warrants in the amount of HK\$24,900,000
“Gao Bao Development”	Gao Bao Development Limited, a company incorporated in the Republic of Seychelles and owned by an independent third party not connected with the Company or any of its subsidiaries or any of their respective directors, chief executives or substantial shareholders or any of their respective associates as at the date of this circular
“Group”	the Company and its subsidiaries
“Guo Fu Enterprises”	Guo Fu Enterprises Limited, a company incorporated in the Republic of Seychelles and owned by an independent third party not connected with the Company or any of its subsidiaries or any of their respective directors, chief executives or substantial shareholders or any of their respective associates as at the date of this circular
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Latest Practicable Date”	5 December 2006, the latest practicable date prior to the issue of this circular for the purpose of ascertaining certain information contained therein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Second Subscription Agreement”	the subscription agreement dated 13 November 2006 entered into between the Company and Asia Enterprises in relation to its subscription of Warrants in the amount of HK\$12,450,000
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Consolidation”	the consolidation of every four shares of HK\$0.001 each in the issued and unissued share capital of the Company into one share of HK\$0.004 each in the issued and unissued share capital of the Company as announced by the Company on 31 October 2006 which has become effective on 28 November 2006
“Share(s)”	ordinary share(s) of HK\$0.004 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“SGM”	the special general meeting of the Company to be held on Saturday, 23 December 2006 at 10:00 a.m at Room 505, 5/F, China Insurance Group Building, 141 Des Voeux Road Central, Hong Kong for considering and, if thought fit, approving the proposed issue of Warrants and the proposed change of the Company’s name, notice of which is set out on pages 11 to 14 of this circular, and any adjournment thereof
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	Gao Bao Development, Asia Enterprises and Guo Fu Enterprises
“Subscription Agreements”	the First Subscription Agreement, the Second Subscription Agreement and the Third Subscription Agreement
“Subscriptions”	the subscription of the Warrants by the Subscribers on terms set out in the Subscription Agreements
“Subscription Price”	HK\$0.332 per Share subject to certain anti-dilution adjustments
“Third Subscription Agreement”	the subscription agreement dated 13 November 2006 entered into between the Company and Guo Fu Enterprises in relation to its subscription of Warrants in the amount of HK\$12,450,000
“Warrants”	unlisted warrants to subscribe for Shares to be allotted and issued to the Subscribers pursuant to the Subscription Agreements
“Warrantholder”	holders of the Warrants
“%”	per cent



Magnum International Holdings Limited

萬能國際集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 305)

Executive Directors:

Mr. Lee Shing

Ms. Liu Yaling

Mr. Wang Shaohua

Mr. Pei Qingrong

Registered office:

Canon's Court

22 Victoria Street

Hamilton HM12

Bermuda

Independent non-executive Directors

Mr. Yu Xiumin

Mr. Zuo Duofu

Mr. Cheng Kin Wah, Thomas

Head office and

principal place of business:

Unit 505, 5/F

China Insurance Group Building

141 Des Voeux Road Central

Hong Kong

6 December 2006

To the Shareholders

Dear Sir or Madam,

PROPOSALS FOR

ISSUE OF WARRANTS

AND CHANGE OF COMPANY NAME

1. INTRODUCTION

Issue of Warrants

On 13 November 2006, the Company entered into the Subscription Agreements with the Subscribers, pursuant to which the Subscribers have agreed to subscribe, and the Company has agreed to issue, Warrants attaching the rights to subscribe 150,000,000 Shares for a total issue price of HK\$2,400,000. The Warrants have a term of three years, during which period the Subscribers may exercise the Warrants and subscribe new Shares at HK\$0.332 per Share.

* For identification purposes only

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The Warrants carry the right to subscribe Shares in units of the Subscription Price, subject to certain anti-dilution adjustments. Warrantholders may exercise the subscription rights attaching to the Warrants, in whole or in part, at any time from the Completion Date until the Expiry Date (both days inclusive). Assuming full exercise of the Warrants, the Company will issue 150,000,000 Shares, representing approximately 19.55% of the existing issued share capital of the Company or 16.36% of the enlarged issued share capital of the Company.

The Warrants will not be listed or dealt on the Stock Exchange or any other stock exchange. However, the Company will apply for the listing of, and the permission to deal in, the Shares issuable upon the exercise of the Warrants.

Completion of each of the Subscriptions is subject to:

- (a) the passing by the Shareholders of all necessary resolutions approving the issue of the Warrants;
- (b) the Share Consolidation becoming effective; and
- (c) the Listing Committee of the Stock Exchange granting the approval of and the permission to deal in, the Shares to be issued upon the exercise of the subscription rights attaching to the Warrants.

The Subscriptions are not inter-conditional.

The terms of the Warrants were negotiated at arm's length between the Company and the Subscribers. The Directors consider that the terms of the Warrants are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The purposes of this circular are:

- (a) to provide you with further information regarding the proposed issue of Warrants, and the proposed change of company name; and
- (b) to give you notice of the SGM.

2. PROPOSAL FOR ISSUE OF WARRANTS

The Subscription Agreement

The First Subscription Agreement

Date: 13 November 2006

Parties: (a) Issuer: The Company
(b) Subscriber: Gao Bao Development

Warrants: an amount of HK\$24,900,000

LETTER FROM THE BOARD

The Second Subscription Agreement

Date: 13 November 2006

Parties: (a) Issuer: The Company
(b) Subscriber: Asia Enterprises

Warrants: an amount of HK\$12,450,000

The Third Subscription Agreement

Date: 13 November 2006

Parties: (a) Issuer: The Company
(b) Subscriber: Guo Fu Enterprises

Warrants: an amount of HK\$12,450,000

The Subscription

Pursuant to the Subscription Agreements, the Company has agreed to issue Warrants in the aggregate amount of HK\$49,800,000 to the Subscriber at the issue price of HK\$0.016 per unit of the subscription rights attaching to the Warrants. The Warrants entitle the Subscribers to subscribe Shares during the period commencing from the Completion Date and ending at 4:00 p.m. (Hong Kong time) on the Expiry Date for an initial Subscription Price of HK\$0.332 per Share. The Subscribers have each agreed to subscribe the following amount of Warrants set opposite their respective names:

Subscriber	Amount of Warrants (HK\$)	Percentage of enlarged issued share capital of the Company, assuming full exercise of the rights attaching to the Warrants
Gao Bao Development (<i>Note</i>)	24,900,000	8.18%
Asia Enterprises	12,450,000	4.09%
Guo Fu Enterprises	<u>12,450,000</u>	<u>4.09%</u>
	<u><u>49,800,000</u></u>	<u><u>16.36%</u></u>

Note: As at the date of this circular, Gao Bao Development is interested in 24,129,500 Shares, representing approximately 3.14% of the existing issued share capital of the Company, and is wholly owned by Mr. Zhou Sheji who holds 1,450,000 Shares as at the date of this circular. Mr. Zhou Sheji is, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, an independent third party not connected with the Company or any of its subsidiaries or any of their respective directors, chief executives or substantial shareholders or any of their respective associates as at the date of this circular. Assuming the full exercise of the Warrants to be subscribed by Gao Bao Development, Gao Bao Development, together with Mr. Zhou Sheji, will be interested in 100,579,500 Shares, representing approximately 10.96% of the enlarged issued share capital of the Company.

Asia Enterprises and Guo Fu Enterprises are owned respectively by Mr. Chen Jian and Mr. Ren Qiaofu. The beneficial owners of Gao Bao Development, Asia Enterprises and Guo Fu Enterprises are independent and not connected with each other.

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The Subscription Price of HK\$0.332 per Share (being the Subscription Price after the Share Consolidation becoming effective) represented a discount of approximately 1.2% to the closing price of the Shares of HK\$0.336 (being the adjusted price after the Share Consolidation has become effective) on 13 November 2006, being the date of the Subscription Agreements, and represented a premium of approximately 9.5% to the average closing price of the Shares of HK\$0.3032 (being the adjusted price after the Share Consolidation has become effective) for the five trading days prior to the execution of the Subscription Agreements, respectively.

The Warrants are freely transferable and will expire at 4:00 p.m. (Hong Kong time) on the Expiry Date.

The Warrants will not be listed or dealt on the Stock Exchange.

Information on the Subscribers

Gao Bao Development is an investment holding company incorporated in the Republic of Seychelles. Other than the proposed subscription of the Warrants and the holding of 24,129,500 Shares, Gao Bao Development has not engaged in any other business. Gao Bao Development currently holds 24,129,500 Shares as at the date of this circular, representing approximately 3.14% of the existing issued share capital of the Company.

Asia Enterprises is an investment holding company incorporated in the Republic of Seychelles. Other than the proposed subscription of the Warrants, Asia Enterprises has not engaged in any other business as at the date of this circular.

Guo Fu Enterprises is an investment holding company incorporated in the Republic of Seychelles. Other than the proposed subscription of the Warrants, Guo Fu Enterprises has not engaged in any other business as at the date of this circular.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, each of the Subscribers and their respective ultimate beneficial owners is an independent third party not connected with the Company or any of its subsidiaries or any of their respective directors, chief executives or substantial shareholders or any of their respective associates as at the date of this circular. Each of the Subscribers and their respective beneficial owners is independent from the other Subscribers and their respective beneficial owners.

Conditions of the proposed issue of Warrants

Completion of each of the Subscriptions is subject to:

- (a) the passing by the Shareholders of all necessary resolutions approving the issue of the Warrants;
- (b) Share Consolidation becoming effective; and
- (c) the Listing Committee of the Stock Exchange granting the approval of and the permission to deal in, the Shares to be issued upon the exercise of the Warrants.

The Subscriptions are not inter-conditional and will be completed separately and independently from each other.

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Completion is scheduled to take place on the third business day following the satisfaction of all of the above conditions precedent which cannot be later than 13 January 2007.

Shareholding Structure

Based on the information available to the Directors as at the Latest Practicable Date, set out below is the shareholding structure of the Company before and after the full exercise of the Warrants, assuming that no other Shares have been issued other than those to be issued in relation to the exercise of the Warrants:

Name of Shareholder	Before exercise of the Warrants		After full exercise of the Warrants	
	No. of Shares	%	No. of Shares	%
Dragon Hill Development Limited (Note 1)	547,459,613	71.35	547,459,613	59.68
Subscribers				
Gao Bao Development and its associates (Note 2)	25,579,500	3.33	100,579,500	10.96
Gao Fu Enterprises	0	0.00	37,500,000	4.09
Asia Enterprises	0	0.00	37,500,000	4.09
Other public shareholders	<u>194,248,936</u>	<u>25.32</u>	<u>194,248,936</u>	<u>21.18</u>
Total	<u>767,288,049</u>	<u>100.00</u>	<u>917,288,049</u>	<u>100.00</u>

Notes:

1. Dragon Hill Development Limited, the controlling Shareholder which is incorporated in Samoa with limited liability and the entire issued share capital of which is legally and beneficially owned by Mr Lee Shing, the Chairman, Chief Executive Officer and executive Director.
2. As at the date of this circular, Gao Bao Development is interested in 24,129,500 Shares, representing approximately 3.14% of the existing issued share capital of the Company, and wholly owned by Mr. Zhou Sheji who holds 1,450,000 Shares as at the date of this circular. Mr. Zhou Sheji is, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, an independent third party not connected with the Company or any of its subsidiaries or any of their respective directors, chief executives or substantial shareholders or any of their respective associates as at the date of this circular. Assuming the full exercise of the Warrants to be subscribed by Gao Bao Development, Gao Bao Development, together with Mr. Zhou Sheji, will be interested in 100,579,500 Shares, representing approximately 10.96% of the enlarged issued share capital of the Company.

Principal Terms of the Warrants

Status of Shares to be issued upon exercise of Warrants

Shares which are issued on the exercise of the subscription rights attaching to the Warrants will rank *pari passu* in all respects with the then existing issued Shares.

In the event of any alteration in the capital structure of the Company whilst any Warrants may become exercisable, whether by way of capitalisation issue, rights issue, consolidation, reclassification, reconstruction, subdivision or reduction of share capital, or otherwise howsoever, such corresponding alterations (if any) shall be made in the number or nominal amount of shares subject to the Warrants so far as unexercised and/or the subscription price per share of each unit of

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outstanding Warrant and/or the method of exercise of the Warrants as the auditors of the Company or an independent financial adviser shall certify in writing to the Board to be in their/his opinion fair and reasonable in compliance with the Listing Rules and/or such other requirement prescribed by the Stock Exchange from time to time.

Issue Price

The issue price per unit of the subscription rights attaching to the Warrants is HK\$0.016 and is determined based on arm's length negotiation between the Subscribers and the Company. The aggregate issue proceeds of the Warrants is HK\$2,400,000 which will be paid to the Company at Completion. The issue proceeds of the Warrants will be used by the Group for general working capital purposes.

Subscription Price

As at the Completion Date, assuming that there is no other change to the existing capital structure of the Company, full exercise of the Warrants by the Subscribers at the subscription price of HK\$0.332 per Share will result in the issue of a total of 150,000,000 Shares, representing approximately 19.55% of the Company's existing issued share capital and approximately 16.36% of the Company's enlarged issued share capital. The receipt by the Company of HK\$49,800,000 before expenses from the subscription of the new Shares by the exercise of the Warrants, will, if received, be applied by the Company and its subsidiaries for general working capital purposes.

The initial Subscription Price was determined based on arm's length negotiation between the Subscribers and the Company based on the share price at the time of negotiation, expectations on the future share price performance of the Company and the Subscribers' consideration of the prospects of the Group at the time of negotiation.

Reasons for the Issue of Warrants

The Group is principally engaged in securities dealing and margin financing, money lending and property investment. The Directors are of the view that additional funding is required for the Company to further expand its securities dealing and margin finance businesses in particular under the current improved market conditions. The Directors consider that the issue is an appropriate means of raising additional capital for the Company because it will not have an immediate dilution effect on the existing shareholdings of the Company. In addition, apart from the net proceeds raised upon issue of the Warrants, the Company will also be provided with additional capital upon exercise of the Warrants.

The Directors of the Company are of the view that the terms of the issue of Warrants are fair and reasonable and in the best interests of the Company.

Application for Listing

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, Shares to be issued upon exercise of the Warrants. No application will be made to the Stock Exchange for the listing of, and permission to deal in, the Warrants.

Use of Proceeds

The aggregate issue proceeds of the Warrants is HK\$2,400,000 which will be paid to the Company at Completion. The issue proceeds of the Warrants will be used by the Group for general working capital purposes. The receipt by the Company of HK\$49,800,000 before expenses from the subscription of the new Shares by the exercise of the Warrants, will, if received, be applied by the Company and its subsidiaries for general working capital purposes.

General

Save as the Warrants to be issued, there are no other warrants, options, or similar securities conferring rights to subscribe for Shares outstanding as at the date of this circular.

The terms of the Warrants were negotiated at arm's length between the Company and the Investors. The Directors consider that the terms of the Warrants are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

The issue of the Warrants and the Shares to be issued upon the exercise of the subscription rights attaching to the Warrants are subject to the approval by the Shareholders at the SGM.

3. PROPOSAL FOR CHANGE OF THE COMPANY'S NAME

As announced by the Company on 4 December 2006, the Board has proposed to change the name of the Company from "Magnum International Holdings Limited" to "Dragon Hill Holdings Limited" and for identification purposes only, to adopt the new Chinese name of "俊山集團有限公司" subject to the conditions set out below being fulfilled.

The proposed change of the Company's name is subject to:

- (i) the passing of an ordinary resolution by the Shareholders at the SGM; and
- (ii) the Registrar of Companies in Bermuda granting approval for the proposed change of the Company's name.

The proposed change of the Company's name will take effect from the date on which the new name is registered by the Registrar of Companies in Bermuda. The Company will, subject to satisfaction of the above conditions, carry out the necessary filing procedures with the Registrar of Companies in Bermuda and Hong Kong.

Reason for the proposed change of the Company's name

"Magnum" is the corporate name of the former controlling shareholder of the Company. The controlling stake was sold to Dragon Hill Development Limited in June 2006. Pursuant to the sale and purchase agreement dated 30 March 2006 between, among others, Magnum (Guernsey) Limited and Dragon Hill Development Limited (the current controlling shareholder of the Company), it was agreed that the Company would as soon as practicable effect the change of the Company's name which shall bear no reference to the word "Magnum" and "萬能". The Company has therefore proposed to change its name.

Status of existing certificates for securities of the Company

The change of name will not affect any of the rights of the Shareholders. All existing share certificates of the Company in issue bearing "Magnum International Holdings Limited" will, after the change of name, continue to be evidence of title to the same number of Shares under its new name and

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will be valid for trading, settlement and registration purposes. Once the change of name has become effective, new share certificates of the Company will be issued in the new name of the Company and the Shares will be traded on the Stock Exchange in the new name. Accordingly, there will not be any arrangement for free exchange of existing share certificates under the new name.

A further announcement will be made on the trading arrangements (including the date on which trading under the new name on the Stock Exchange will take effect) upon the change of the Company's name becoming effective and unconditional. The Company will make a further announcement when the proposed name change becomes effective.

4. SGM

A notice convening the SGM to be held at Room 505, 5/F, China Insurance Group Building, 141 Des Voeux Road Central, Hong Kong on Saturday, 23 December 2006 at 10:00 a.m. is set out on pages 11 to 14 of this circular. Whether or not you are able to attend the special general meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the SGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM should you so wish.

5. PROCEDURES FOR DEMANDING A POLL

At any general meeting of the Company, resolutions put to the vote at the meeting shall be decided on a show of hands, unless a poll is demanded. Under bye-law 69 of the bye-laws of the Company, a poll may be demanded, before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll:

- (i) by the chairman of the meeting; or
- (ii) by at least three Shareholders present in person or by proxy or by its duly authorised corporate representative for the time being entitled to vote at the meeting; or
- (iii) by any Shareholder or Shareholders present in person or by proxy or by its duly authorised corporate representative and representing not less than one-tenth of the total voting rights of all Shareholders having the right to attend and vote at the meeting; or
- (iv) by any Shareholder or Shareholders present in person or by proxy or by its duly authorised corporate representative and holding Shares conferring a right to attend and vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right.

6. RECOMMENDATION

The Directors consider that the proposals for issue of Warrants and change of company name are in the interests of the Company and the Shareholders as a whole, and the terms thereof are fair and reasonable. Therefore, the Directors recommend the Shareholders to vote in favour of the ordinary resolutions to be proposed at the SGM.

Yours faithfully,
For and on behalf of the Board
Lee Shing
Chairman



Magnum International Holdings Limited

萬能國際集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 305)

NOTICE IS HEREBY GIVEN that a special general meeting of Magnum International Holdings Limited (the “**Company**”) will be held at 10:00 a.m. on Saturday, 23 December 2006 at Room 505, 5/F, China Insurance Group Building, 141 Des Voeux Road Central, Hong Kong for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions:

ORDINARY RESOLUTIONS

1. “**THAT:**

conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and the permission to deal in, the ordinary shares of HK\$0.004 each in the capital of the Company (“**Shares**”) issuable upon the exercise of the subscription rights attaching to the warrants in the amount of HK\$24,900,000 (the “**First Warrants**”) to be issued to Gao Bao Development (as defined in the Company’s circular to the shareholders of the Company dated 6 December 2006 (the “**Circular**”) of which this notice forms part) in accordance with the deed poll constituting the First Warrants to be executed by the Company (the “**First Warrant Instrument**”):

- (i) the First Subscription Agreement (as defined in the Circular) (copies of which have been produced to this meeting marked “A” and signed by the Chairman of the meeting for identification purposes) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (ii) the directors of the Company be and are hereby authorised:
 - (A) to create and grant to Gao Bao Development (as defined in the Circular) the First Warrants which confer the holder thereof the right to subscribe 75,000,000 new Shares at any time on or after the issue date of the First Warrants until the third anniversary thereof (or if such date is not a business day (as defined in the Circular), the business day immediately thereafter) (both dates inclusive) at the exercise price of HK\$0.332 (subject to adjustment) on the terms and conditions set out in the First Warrant Instrument (copies of the draft of the First Warrant Instrument are produced to the meeting marked “B” and signed by the Chairman of the meeting for the purpose of identification);
 - (B) to allot and issue to the holders of the First Warrants such number of Shares as are issuable from time to time upon the exercise of the subscription rights attaching to the First Warrants in accordance with the First Warrant Instrument; and

* For identification purposes only

NOTICE OF THE SPECIAL GENERAL MEETING

- (C) to do all such acts and things as they consider necessary or expedient to give effect to the grant and exercise of the First Warrants on the terms set out in the First Warrant Instrument.”

2. **“THAT:**

conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and the permission to deal in, the ordinary shares of HK\$0.004 each in the capital of the Company (“**Shares**”) issuable upon the exercise of the subscription rights attaching to the warrants in the amount of HK\$12,450,000 (the “**Second Warrants**”) to be issued to Asia Enterprises (as defined in the Company’s circular to the shareholders of the Company dated 6 December 2006 (the “**Circular**”) of which this notice forms part) in accordance with the deed poll constituting the Second Warrants to be executed by the Company (the “**Second Warrant Instrument**”):

- (i) the Second Subscription Agreement (as defined in the Circular) (copies of which have been produced to this meeting marked “C” and signed by the Chairman of the meeting for identification purposes) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (ii) the directors of the Company be and are hereby authorised:
 - (A) to create and grant to Asia Enterprises (as defined in the Circular) the Second Warrants which confer the holder thereof the right to subscribe 37,500,000 new Shares at any time on or after the issue date of the Second Warrants until the third anniversary thereof (or if such date is not a business day (as defined in the Circular), the business day immediately thereafter) (both dates inclusive) at the exercise price of HK\$0.332 (subject to adjustment) on the terms and conditions set out in the Second Warrant Instrument (copies of the draft of the Second Warrant Instrument are produced to the meeting marked “D” and signed by the Chairman of the meeting for the purpose of identification);
 - (B) to allot and issue to the holders of the Second Warrants such number of Shares as are issuable from time to time upon the exercise of the subscription rights attaching to the Second Warrants in accordance with the Second Warrant Instrument; and
 - (C) to do all such acts and things as they consider necessary or expedient to give effect to the grant and exercise of the Second Warrants on the terms set out in the Second Warrant Instrument.”

NOTICE OF THE SPECIAL GENERAL MEETING

3. **“THAT:**

conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and the permission to deal in, the ordinary shares of HK\$0.004 each in the capital of the Company (“**Shares**”) issuable upon the exercise of the subscription rights attaching to the warrants in the amount of HK\$12,450,000 (the “**Third Warrants**”) to be issued to Guo Fu Enterprises (as defined in the Company’s circular to the shareholders of the Company dated 6 December 2006 (the “**Circular**”) of which this notice forms part) in accordance with the deed poll constituting the Third Warrants to be executed by the Company (the “**Third Warrant Instrument**”):

- (i) the Third Subscription Agreement (as defined in the Circular) (copies of which have been produced to this meeting marked “E” and signed by the Chairman of the meeting for identification purposes) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (ii) the directors of the Company be and are hereby authorised:
 - (A) to create and grant to Guo Fu Enterprises (as defined in the Circular) the Third Warrants which confer the holder thereof the right to subscribe 37,500,000 new Shares at any time on or after the issue date of the Third Warrants until the third anniversary thereof (or if such date is not a business day (as defined in the Circular), the business day immediately thereafter) (both dates inclusive) at the exercise price of HK\$0.332 (subject to adjustment) on the terms and conditions set out in the Third Warrant Instrument (copies of the draft of the Third Warrant Instrument are produced to the meeting marked “F” and signed by the Chairman of the meeting for the purpose of identification);
 - (B) to allot and issue to the holders of the Third Warrants such number of Shares as are issuable from time to time upon the exercise of the subscription rights attaching to the Third Warrants in accordance with the Third Warrant Instrument; and
 - (C) to do all such acts and things as they consider necessary or expedient to give effect to the grant and exercise of the Third Warrants on the terms set out in the Third Warrant Instrument.”

4. **“THAT:**

subject to the approval of the Registrar of Companies in Bermuda being obtained, the name of the Company be changed from “Magnum International Holdings Limited” to “Dragon Hill Holdings Limited” and the new Chinese name of “俊山集團有限公司” be adopted by the Company for identification purposes only and the directors of the Company be and are hereby authorised generally to do such acts and things and execute all documents or make such arrangements as they may consider necessary or expedient to effect the change of the Company’s name.”

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

Hong Kong, 6 December 2006

NOTICE OF THE SPECIAL GENERAL MEETING

Notes:

- (1) A member entitled to attend and vote at the above meeting may appoint a proxy to attend and, on a poll vote on his behalf and such proxy need not be a member of the Company. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed. A form of proxy for use at the meeting is enclosed.
- (2) In order to be valid, the form of proxy, together with any power of attorney or authority under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company's branch share registrar in Hong Kong, Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.
- (3) Completion and return of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the meeting convened or any adjournment thereof and in such event, the authority of the proxy shall be deemed to be revoked.

As at the date of this notice, 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