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**MAGICIAN INDUSTRIES (HOLDINGS) LIMITED**

**通達工業(集團)有限公司\***

*(Incorporated in Bermuda with limited liability)*

(Stock code: 526)

## **DESPATCH OF CIRCULAR**

**relating to**

- (1) Proposed Open Offer of 434,366,720 Offer Shares of HK\$0.10 each at HK\$0.10 per Offer Share payable in full on acceptance (in the proportion of one Offer Share for every two existing Shares held on the Record Date)**
- (2) Application for Whitewash Waiver**
- (3) Special deal in connection with the payment of Subscription Monies for Untaken Shares by partial set-off of the Big-Max Shareholder Loans**

The Board is pleased to announce that the Circular has been despatched to the Shareholders on 12 November 2007.

Reference is made to the announcement of Magician Industries (Holdings) Limited dated 21 October 2007 (the "Announcement"). Unless the context otherwise requires, capitalized terms used in this announcement have the same meanings as defined in the Announcement.

The Board is pleased to announce that the circular (the "Circular") containing, among other things, details of the Open Offer, the Whitewash Waiver and the special deal in connection with the proposed settlement of the Subscription Monies for the Untaken Shares by partial set-off of the Big-Max Shareholder Loans, the recommendation of the Independent Board Committee and the letter from Veda Capital to the Independent Board Committee and Independent Shareholders, financial information of the Group and pro forma financial information in relation to the Open Offer, a valuation report on the relevant PRC property interests of the Group together with a notice convening the SGM has been despatched to the Shareholders on 12 November 2007.

By order of the Board  
**Magician Industries (Holdings) Limited**  
**Xu Jin**  
*Chairman*

Hong Kong, 12 November 2007

*As at the date of this announcement, the Board comprises (a) Mr Xu Jin (Chairman), being executive Director; (b) Mr Lau Kin Hon being non-executive Director and (c) Mr He Chengying, Mr Chan Man Sum Ivan and Mr Cheung Kiu Cho Vincent being independent non-executive Directors.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement 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 statements in this announcement misleading.*

*\* for identification only*