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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)

RESULTS OF OPEN OFFER OF 434,366,720 OFFER SHARES
AT HK\$0.10 PER OFFER SHARE

The Open Offer became unconditional at 4:00 p.m. on Wednesday, 19 December 2007.

35 valid applications for the Offer Shares have been received for a total of 272,357,706 Offer Shares (including the 71,746,000 Offer Shares taken up by the Underwriter and parties acting in concert with it under their assured entitlement), representing approximately 62.70% of the total number of Offer Shares. The Open Offer was therefore undersubscribed by 162,009,014 Offer Shares, representing approximately 37.30% of the total number of Offer Shares. As a result, in addition to their assured entitlement, the Underwriter and parties acting in concert with it have taken up 162,009,014 Offer Shares in performance of its underwriting commitment under the Underwriting Agreement.

Certificates for the Offer Shares are expected to be despatched to those who have validly applied and paid for the Offer Shares by ordinary post on or before Monday, 24 December 2007 at their own risk. Dealings in the Offer Shares are expected to commence at 9:30 a.m. on Friday, 28 December 2007.

Reference is made to the prospectus of Magician Industries (Holdings) Limited (“**Company**”) dated 3 December 2007 (“**Prospectus**”) in relation to the Open Offer. Terms used herein have the same meanings as defined in the Prospectus unless the context otherwise requires.

RESULTS OF THE OPEN OFFER AND SHAREHOLDING STRUCTURE OF THE COMPANY

The Directors are pleased to announce that all the conditions of the Underwriting Agreement have been fulfilled and the Underwriting Agreement has not been terminated in accordance with its terms. The Open Offer became unconditional at 4:00 p.m. on Wednesday, 19 December 2007.

35 valid applications for the Offer Shares have been received for a total of 272,357,706 Offer Shares (including the 71,746,000 Offer Shares taken up by the Underwriter and parties acting in concert with it under their assured entitlement), representing approximately 62.70% of the total number of Offer Shares under the Open Offer. The Open Offer was therefore

undersubscribed by 162,009,014 Offer Shares, representing approximately 37.30% of the total number of Offer Shares. As a result, in addition to their assured entitlement, the Underwriter and parties acting in concert with it have taken up 162,009,014 Offer Shares in performance of its underwriting commitment under the Underwriting Agreement.

The percentage shareholding of the Underwriter in the Company was approximately 28.95% immediately after the completion of the Open Offer.

The following table sets out the shareholding structure of the Company immediately before and after the completion of the Open Offer.

	Immediately before completion of the Open Offer		Immediately after completion of the Open Offer	
	<i>No. of Shares held</i>	<i>%</i>	<i>No. of Shares held</i>	<i>%</i>
Big-Max and its concert parties (<i>Note 1</i>)	143,492,000	16.52	377,247,014	28.95
Mr. Xu Jin	253,837,198	29.22	253,837,198	19.48
Public	471,404,242	54.26	672,015,948	51.57
Total	<u>868,733,440</u>	<u>100.00</u>	<u>1,303,100,160</u>	<u>100.00</u>

Note:

1. Mr. Li Li Xin is deemed to have a beneficial interest in 377,247,014 Shares through Big-Max, whose issued share capital is beneficially owned as to 90% by Mr. Li and as to 10% by Mr. Li's spouse.

As shown in the above table, the shareholding of Big-Max will be increased from approximately 16.52% to approximately 28.95% by the allotment and issue of the Offer Shares. Mr. Xu Jin, an executive Director of the Company, did not take up his entitlement of the Offer Shares pursuant to the Open Offer. Accordingly, the shareholding of Mr. Xu will be diluted to approximately 19.48%. As a result, Big-Max will become the largest Shareholder of the Company upon the allotment and issue of the Offer Shares. The percentage of issued Shares in the public hands immediately after completion of the Open Offer will be approximately 51.57%.

PARTIAL SETTING OFF OF THE BIG-MAX SHAREHOLDER LOANS

In accordance with the Underwriting Agreement, the Underwriter is required to subscribe for the Untaken Shares (i.e. 162,009,014 Offer Shares) and the aggregate Subscription Monies (i.e. approximately HK\$16.2 million) in respect of such Untaken Shares shall be paid by way of setting off on a dollar-to-dollar basis of the outstanding principal amount of the Big-Max Shareholder Loans. Upon partial setting-off of the Big-Max Shareholder Loans, the total outstanding principal amount of the Big-Max Shareholder Loans shall be reduced from HK\$38 million to approximately HK\$21.8 million as at 20 December 2007.

ADJUSTMENT TO THE EXERCISE PRICE OF THE CONVERTIBLE BONDS

In accordance with the terms and conditions of the instrument dated 1 August 2007 and executed by the Company by way of a deed poll constituting the Convertible Bonds, the Company has instructed an approved merchant bank to consider whether any adjustment should be made to the conversion price of the Convertible Bonds in order to fairly and appropriately reflect the relative interests of the Company and holders of the Convertible Bonds. The said approved merchant bank has considered the results of the Open Offer and determined that it is appropriate to make an adjustment to the conversion price from the initial exercise price of HK\$0.15 per Share to HK\$0.11 per Share. Accordingly, if the conversion rights attached to the Convertible Bonds are exercised in full, the number of new Shares to be allotted and issued will be increased from 173,333,333 Shares (convertible at the initial exercise price of HK\$0.15 per Share) to 236,363,636 Shares (convertible at the adjusted exercise price of HK\$0.11 per Share).

DESPATCH OF CERTIFICATES FOR OFFER SHARES AND COMMENCEMENT OF DEALINGS IN OFFER SHARES

Certificates for the Offer Shares are expected to be despatched to those who have validly applied and paid for the Offer Shares by ordinary post on or before Monday, 24 December 2007 at their own risk. Dealings in the Offer Shares are expected to commence at 9:30 a.m. on Friday, 28 December 2007.

For and on behalf of the Board
Magician Industries (Holdings) Limited
Xu Jin
Chairman

Hong Kong, 20 December 2007

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

The Underwriter accepts full responsibility for the accuracy of the information (other than that in respect of the Group) in this announcement and confirm, having made all reasonable enquiries, that to the best of its knowledge, opinions expressed in this announcement (other than that in respect of the Group) have been arrived at after due and careful consideration and there are no other facts relating to the Underwriter not contained in this announcement, the omission of which would make any statement (other than that in respect of the Group) in this announcement misleading.

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.

* *for identification purpose only*