

# Chairman's Statement

On behalf of the Board of Directors of Magnum International Holdings Limited (the "Company"), I wish to present the results of your Company and its subsidiaries (the "Group") for the financial year ended 31st December 2004.

## **BUSINESS REVIEW**

For the year ended 31st December 2004, the Group recorded a turnover of HK\$8.0 million and a loss before tax of HK\$6.2 million. The turnover of the Group increased by HK\$0.2 million as compared to the year ended 31st December 2003 and this improvement was in line with the increase in the overall market transaction volume of the Hong Kong stock market in 2004.

The loss before tax for the year decreased from HK\$11.5 million in 2003 to HK\$6.2 million in 2004. Such reduction in loss before tax was mainly because the Group recorded unrealized profit on revaluation of the investment properties of the Group amounted to HK\$6.3 million in 2004. The loss before tax in current year mainly comprises administrative and operating expenses and financial cost on borrowings.

## **FUTURE PROSPECTS**

The Group announced on 8th April 2005 the proposed change of controlling shareholder of the Company together with certain restructuring. The new controlling shareholder intends to continue the existing businesses of the Group and will conduct a more detailed review of the operations of the Group with a view to developing a corporate strategy to enhance its existing businesses and its asset base and broaden its income stream by various measures, which may include further investing in and expansion of exiting businesses into or divesting of loss-making operations of the Group should appropriate opportunities arise.

## **APPRECIATION**

On behalf of the Board, I would like to record our appreciation to our valued customers, bankers, business partners and shareholders, for their continued support to the Group. I would also like to thank my fellow directors, management and employees for their continued dedication and commitment.

**Lim Teong Leong**

*Chairman*

20th April 2005