

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 2000.

BUSINESS REVIEW

For the year ended 31st December 2000, the Group recorded a turnover of HK\$33.92 million and a loss before tax of HK\$18.83 million. The turnover of the Group increased by HK\$6.88 million as compared to that of the year ended 1999. The loss before tax for the year significantly reduced from HK\$53.62 million in 1999 to HK\$18.83 million in 2000. The loss before tax in current year includes provision for doubtful debts, diminution in value of the investment properties and the Philippines Stock Exchange membership.

After the cessation of the manufacturing division in 1999, the Group focuses on the securities brokerage and financing businesses. The Group was doing fine in the first quarter of 2000 as the Hong Kong stock market was active. However, due to the depressed Asian stock market since May 2000, the performance of the Group was badly affected.

FUTURE PROSPECTS

Meanwhile the Group concentrates its resources in the securities brokerage and financing businesses. In the longer term, the Group is on a constant look out for new business opportunities. The Board is optimistic that better results are attainable given the determination and strong positioning of the Group.

APPRECIATION

I would like to thank my fellow Directors and staffs for their hard work and loyalty and our shareholders, bankers and all business partners for their continued support which have contributed to our Group's progress and growth.

Lim Teong Leong

Chairman

Hong Kong
11th April 2001

