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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Magician Industries (Holdings) Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or 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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MAGICIAN INDUSTRIES (HOLDINGS) LIMITED

通達工業(集團)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 526)

**PROPOSED RE-ELECTION OF DIRECTORS,
GRANT OF GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
REFRESHMENT OF SCHEME MANDATE LIMIT
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of Magician Industries (Holdings) Limited to be held at Flat A, 2nd Floor, Yeung Yiu Chung (No.6) Industrial Building, 19 Cheung Shun Street, Cheung Sha Wan, Kowloon, Hong Kong at 10:00 a.m. on 18 September 2009 is set out on pages 12 to 15 of this circular. Whether or not you intend to attend the meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same with Magician Industries (Holdings) Limited at its principal place of business in Hong Kong at Flat A, 2nd Floor, Yeung Yiu Chung (No.6) Industrial Building, 19 Cheung Shun Street, Cheung Sha Wan, Kowloon, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

* For identification purpose only

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“AGM”	the annual general meeting of the Company to be held on 18 September 2009 at 10:00 a.m. at Flat A, 2nd Floor, Yeung Yiu Chung (No.6) Industrial Building, 19 Cheung Shun Street, Cheung Sha Wan, Kowloon, Hong Kong
“associates”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Bye-laws”	Bye-laws of the Company
“Company”	Magician Industries (Holdings) Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	the lawful currency for the time being of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	the proposed general mandate to be granted to the Directors to allot, issue and deal with Shares with an aggregate nominal value not exceeding 20% of the share capital of the Company in issue as at the date of passing of the relevant resolution granting such mandate
“Latest Practicable Date”	12 August 2009, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Option(s)”	a right to subscribe for Shares granted under the Share Option Scheme

DEFINITIONS

“Repurchase Mandate”	the proposed general mandate to be granted to the Directors to exercise the powers of the Company to repurchase Shares up to a maximum of 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the relevant resolution granting such mandate
“Shareholder(s)”	the holder(s) of the Shares
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 8 August 2002
“Scheme Mandate Limit”	the maximum number of Shares which may be issued upon the exercise of all Options to be granted under the Share Option Scheme
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers as amended from time to time
“%”	per cent.

LETTER FROM THE BOARD



MAGICIAN INDUSTRIES (HOLDINGS) LIMITED

通達工業(集團)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 526)

Chairman:

Mr Li Li Xin (*non-executive director*)

Executive Director:

Mr Cheng Jian He

Non-executive Directors:

Mr Xu Jin

Mr Lau Kin Hon

Independent non-executive Directors:

Mr He Chengying

Mr Chan Man Sum Ivan

Mr Cheung Kiu Cho Vincent

Registered office:

Clarendon House

Church Street

Hamilton HM 11

Bermuda

Principal place of business in

Hong Kong:

Flat A, 2nd Floor

Yeung Yiu Chung (No.6) Industrial Building

19 Cheung Shun Street

Cheung Sha Wan

Kowloon

Hong Kong

14 August 2009

To the Shareholders

Dear Sir/Madam,

**PROPOSED RE-ELECTION OF DIRECTORS,
GRANT OF GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
REFRESHMENT OF SCHEME MANDATE LIMIT
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to give you information regarding (i) re-election of directors of the Company (ii) grant of the Issue Mandate, (iii) grant of the Repurchase Mandate and (iv) refreshment of Scheme Mandate Limit. This circular contains the explanatory statement required to be given to the Shareholders in compliance with the Listing Rules and to give all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the resolutions in the AGM.

* For identification purpose only

LETTER FROM THE BOARD

PROPOSED RE-ELECTION OF DIRECTORS

According to Bye-laws 87(1) and 87(2), Mr Xu Jin, Mr Lau Kin Hon and Mr He Chengying shall retire at the AGM and, being eligible, offer themselves for re-election. Biographies of the Directors to be re-elected at the AGM are set out in Appendix I to this circular.

GENERAL MANDATE TO ISSUE SHARES

At the AGM, an ordinary resolution will be proposed that the Directors be given a general and unconditional mandate to allot and issue further Shares representing up to 20 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing the resolution. In addition, if the resolution for the granting of the Repurchase Mandate is passed, a resolution will be proposed to authorise the Directors to allot and issue Shares up to an amount equal to the aggregate nominal amount of the Shares purchased under the Repurchase Mandate.

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,539,463,794 Shares. Assuming that there is no change in the issued share capital of the Company between the period from the Latest Practicable Date and the date of passing the resolution approving the Issue Mandate, the maximum number of Shares which may be issued pursuant to the Issue Mandate will be 307,892,758 Shares.

GENERAL MANDATE TO REPURCHASE SHARES

At the AGM, an ordinary resolution will also be proposed that the Directors be given a general and unconditional mandate to exercise all powers of the Company to repurchase the Shares subject to the criteria set out in this circular. Under the Repurchase Mandate, the maximum number of Shares that the Company may repurchase shall not exceed such number as represents 10 per cent of the share capital of the Company in issue on the date of the passing of the resolution. The Company's authority is restricted to purchases made on the Stock Exchange and otherwise in accordance with the Listing Rules. An explanatory statement to the Repurchase Mandate is set out in Appendix II to this circular.

PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT

Pursuant to the Listing Rules and the Share Option Scheme, the total number of Shares which may be issued upon the exercise of all Options to be granted under the Share Option Scheme and any other schemes of the Company must not exceed 10% of the Shares in issue as at the date of adoption of the Share Option Scheme. The Scheme Mandate Limit may be refreshed by the Shareholders in general meeting in accordance with the rules of the Share option Scheme. As at the Latest Practicable Date, the Scheme Mandate Limit is 86,873,344 Shares, being 10% of the issued share capital of the Company as at the date of adoption of the Share Option Scheme.

Apart from the Share Option Scheme, there is no other share option scheme as at the Latest Practicable Date.

LETTER FROM THE BOARD

The Company has not granted any Options under the Share Option Scheme. However since the date of adoption of the Share Option Scheme, the issued share capital of the Company has increased substantially. As at the Latest Practicable Date, the total number of Shares in issue is 1,539,463,794. If the Scheme Mandate Limit is refreshed, the Board will be able to grant Options for subscription of up to 153,946,379 Shares, being 10% of the Shares in issue as at the AGM date based on 1,539,463,794 Shares in issue and assuming that no further Shares are issued prior to the AGM.

The Board wishes to maximize the flexibility in making new grants of Options under the Share Option Scheme. The Directors consider that the refreshment of the Scheme Mandate Limit is in the interests of the Group and the Shareholders as a whole as it enables the Company to provide incentives or rewards to participants for their contribution to the Group.

Pursuant to the Listing Rules, the Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company at any time must not exceed 30% of the Shares in issue from time to time. No Options shall be granted under any scheme(s) of the Company or any of its subsidiaries if this will result in the 30% limit being exceeded.

As required by the Share Option Scheme and the Listing Rules, an ordinary resolution will be proposed at the AGM to approve the refreshment of the Scheme Mandate Limit such that the total number of Shares which may be issued upon exercise of all options to be granted under the refreshed Scheme Mandate Limit must not exceed 10% of the total number of the Shares in issue as at the date of approval of the refreshed Scheme Mandate Limit.

The adoption of the refreshed Scheme Mandate Limit is conditional upon (a) the Shareholders passing an ordinary resolution to approve the refreshment of the Scheme Mandate Limit at the AGM; and (b) the Stock Exchange granting the approval of the listing of, and permission to deal in, the Shares (representing 10% of the Shares in issue as at the date of passing the relevant resolution at the AGM) to be issued pursuant to the exercise of any options granted under the refreshed Scheme Mandate Limit.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares which may fall to be issued upon the exercise of the Options that may be granted under the refreshed Scheme Mandate Limit.

AGM

Notice of the AGM is set out on pages 12 to 15 of this circular. All resolutions to be proposed at the AGM will be voted on by poll.

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you are able to attend, you are requested to complete and return the enclosed form of proxy, in accordance with the instructions printed thereon and deposit the same with Magician Industries (Holdings) Limited at its principal place of business in Hong Kong at Flat A, 2nd Floor, Yeung Yiu Chung (No.6) Industrial Building, 19 Cheung Shun Street, Cheung Sha Wan, Kowloon, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors consider that the re-election of the Directors, the granting of the Issue Mandate, the granting of the Repurchase Mandate and the refreshment of Scheme Mandate Limit are in the interest of the Company and the Shareholders and so recommend you to vote in favour of all the relevant resolutions to be proposed at the AGM.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular concerning the Company and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts not contained in this circular the omission of which would make any statement herein misleading.

Yours faithfully

By Order of the Board

MAGICIAN INDUSTRIES (HOLDINGS) LIMITED

Li Li Xin

Chairman

APPENDIX I BIOGRAPHIES OF THE DIRECTORS PROPOSED TO BE RE-ELECTED

This appendix sets out the brief biography of each of the Directors to be re-elected at the AGM.

Mr XU Jin, non-executive director, aged 43, is the founder and currently the chairman of a private enterprise incorporated in the People's Republic of China whose principal businesses include manufacturing and trading of plastic and metal household products. Mr Xu has extensive experience in manufacturing and trading of plastic and metal products. Mr Xu did not hold any other directorship in any public listed companies in the last three years. Mr. Xu's appointment will be for a term of three years, subject to retirement by rotation and re-election at the annual general meeting. There is no service contract between Mr Xu and the Company. Mr Xu is not entitled to any remuneration or emolument of any kind. As at the Latest Practicable Date, Mr. Xu is the beneficial owner of 253,837,198 shares (representing approximately 16.49% of the total issued share capital) of the Company. Save as aforesaid, Mr. Xu does not have any relationship with any directors, senior management or substantial or controlling shareholder of the Company, nor does he hold any other position with the Company or any of its subsidiaries, and he does not have any other interests in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance. There is no information to be disclosed by Mr Xu pursuant to Rule 13.51(2) (h) to (v) of the Listing Rules and there is no other information that need to be brought to the attention of the shareholders.

Mr. LAU Kin Hon, non-executive director, aged 41, is a Hong Kong practicing solicitor. He has been practicing law in Hong Kong for 17 years. Mr. Lau received his Bachelor of Laws degree from University College, London, UK. Mr. Lau is also the company secretary and authorised representative of the Company. Save as aforesaid, he did not hold any other position in the Company or in other members of the Company's group. Mr Lau did not hold any directorship in other public listed company during the three years preceding the Latest Practicable Date. There is no director's service contract between Mr. Lau and the Company. Mr. Lau's appointment will be for a term of three years, subject to retirement by rotation and re-election at the annual general meeting. Mr. Lau is entitled to an annual remuneration of HK\$330,000.00 as company secretary which is determined with reference to market terms and his duties and responsibilities in the Company. Mr Lau does not have any relationship with any directors, senior management or substantial or controlling shareholder of the Company, nor does he hold any other position with the Company or any of its subsidiaries. As at the Latest Practicable Date, Mr Lau does not have any interests in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Lau had been the independent non-executive director of Fujian Group Limited ("FGL"), Seapower Resources International Limited ("SRI") and I-China Holdings Limited ("ICL") respectively. FGL was incorporated in Hong Kong whose principal business was property investment. FGL was subject to a winding up petition at the High Court of Hong Kong in 2003 and provisional liquidators were appointed on 15 January 2003. Successful restructuring of FGL was completed on 11 December 2003 and the said winding up petition and provisional liquidators were discharged accordingly. SRI was incorporated in the Cayman Islands whose principal businesses were property investment and cold storage. SRI was subject to a winding up petition at the High Court of Hong Kong in 2001 and provisional liquidators were appointed on 31 December 2001. Successful restructuring of SRI was completed on 5 December 2003 and the said winding up petition and provisional liquidators were discharged accordingly. ICL was incorporated in Bermuda whose principal business was investment holding. ICL was subject to a winding up petition at the High Court of Hong Kong in 2002 and provisional liquidators were appointed on 5 December 2002. Successful restructuring of ICL was completed on 23 April 2004 and the said

APPENDIX I BIOGRAPHIES OF THE DIRECTORS PROPOSED TO BE RE-ELECTED

winding up petition and provisional liquidators were discharged accordingly. Mr Lau has confirmed that there was no wrongful act on his part leading to the winding up petitions in respect of FGL, SRI and ICL. Save as disclosed above, there is no information to be disclosed by Mr Lau pursuant to Rule 13.51(2) (h) to (v) of the Listing Rules and there is no other information that need to be brought to the attention of the Shareholders.

Mr HE Chengying, independent non-executive director, aged 46, graduated from the Department of Accountancy of South Western University of Finance and Economics, holds a Master Degree of Economics from Zhejiang University and a Doctoral Degree of Economics from Xiamen University. He previously worked for Shenzhen Investment Holding Corporation, China Eagle Securities and United Securities. Mr He is currently the Assistant to President and General Manager of the R&D Department of Guosen Securities. He is also a professor, senior economist and a special research fellow of the China Management Science Research Institute. Mr He had previously engaged in state enterprise, state-owned asset management, as well as directly participated in drafting and formulating policies for state enterprise and state-owned asset management reforms. Subsequently, Mr He has engaged in stock market innovation, assets reorganization, as well as capital market operation and research. He has accumulated extensive experience in corporate reform, assets reorganization and capital management planning. Mr He is a director of Guangdong Golden Dragon Development Inc. whose shares are listed on the Shenzhen Stock Exchange. Save as aforesaid, Mr He did not hold any other directorship in any public listed companies in the last three years. Mr He's appointment will be for a term of three years, subject to retirement by rotation and re-election at the annual general meeting of the Company. There is no service contract between Mr He and the Company. Mr He is entitled to an annual remuneration of HK\$120,000.00 which was determined by the Board with reference to his duties and responsibilities with the Company. Mr He does not have any relationship with any directors, senior management or substantial or controlling shareholder of the Company, nor does he hold any other position with the Company or any of its subsidiaries. As at the Latest Practicable Date, Mr He does not have any interests in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance. There is no information to be disclosed by Mr He pursuant to Rule 13.51(2) (h) to (v) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and there is no other information that need to be brought to the attention of the shareholders.

APPENDIX II EXPLANATORY STATEMENT TO SHARE REPURCHASE MANDATE

This appendix serves as an explanatory statement required under Rule 10.06(1)(b) of the Listing Rules to provide you with the information necessary for your consideration of the Repurchase Mandate.

1. SHARE CAPITAL

On the Latest Practicable Date, there were in issue an aggregate of 1,539,463,794 ordinary Shares of HK\$0.01 each in the Company. Exercise in full of the Repurchase Mandate, on the basis that no further Shares of the Company are issued or repurchased prior to the date of the AGM, would result in up to a maximum of 153,946,379 Shares being repurchased by the Company. The Repurchase Mandate allows the Company to make or agree to make purchases only during the period ending on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by law or by the Bye-laws (as amended from time to time) or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

2. REASON FOR REPURCHASE SHARES

Although the Directors have no present intention of repurchasing any Shares, they consider that the Repurchase Mandate will provide the Company the flexibility to make such repurchase as and when appropriate and is beneficial to the Company. Such repurchases may enhance the Company's net asset value and/or earnings per share. The Directors would only make such purchases in circumstances whereby they consider them to be in the best interests of the Company.

As compared with the financial position of the Company at 31 March 2009 (being the date to which the latest audited financial statements of the Company have been made up), the Directors consider that there might be material adverse impact on the working capital and on the gearing position of the Company in the event that the Repurchase Mandate were exercised in full. No repurchase would be made in circumstances that would have a material adverse impact on the working capital or gearing ratio of the Company.

3. FUNDING OF REPURCHASES

Repurchase of the Shares of the Company will be funded entirely from the Company's available cash flow or working capital facilities, and will, in any event, be made out of funds legally available for the repurchase in accordance with the Bye-laws (as amended from time to time) and the applicable laws of Bermuda. Under the laws of Bermuda, the repurchased Shares will be cancelled and the Company's issued share capital will be reduced by the nominal value of those repurchased shares accordingly. However, the aggregate amount of the Company's authorized share capital will not be reduced.

4. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange in each of the twelve months preceding the Latest Practicable Date respectively are as follows:

	Share Prices	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2008		
August	0.39	0.23
September	0.23	0.136
October	0.168	0.15
November	0.165	0.101
December	0.16	0.13
2009		
January	0.17	0.102
February	0.158	0.11
March	0.168	0.115
April	0.188	0.123
May	0.27	0.17
June	0.35	0.20
July	0.315	0.205
August (up to the Latest Practicable Date)	0.232	0.206

5. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases pursuant to the proposed resolution in accordance with the Listing Rules, all applicable laws of Bermuda, and in accordance with the regulations set out in the memorandum of association and Bye-laws (as amended from time to time).

6. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors nor, to the best of the knowledge and belief of the Directors having made all reasonable enquiries, any of the associates (as defined in the Listing Rules) of any of the Directors has any present intention, in the event that the Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company.

No connected person of the Company (as defined in the Listing Rules) has notified the Company that he/she has a present intention to sell Shares to the Company nor has he/she undertaken not to sell any of the Shares held by him/her to the Company in the event that the Company is authorised to make repurchases of Shares.

7. EFFECT OF TAKEOVERS CODE

A repurchase of Shares by the Company may result in an increase in the proportionate interests of a substantial shareholder of the Company in the voting rights of the Company, which could give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, Big-Max Manufacturing Co., Limited (“Big-Max”), who held approximately 25.4% and Mr Xu Jin (“Mr Xu”) who held approximately 16.5% of the issued share capital of the Company, were the only substantial shareholders of the Company holding more than 5% of the issued share capital of the Company respectively. In the event that the Directors should exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the resolution, the shareholdings of Big-Max and Mr Xu in the Company would be increased to approximately 27.2% and 18.3% of the issued share capital of the Company respectively. Such increase will not trigger any mandatory offer under Rule 26 of the Takeovers Code. The Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchase made under the Repurchase Mandate.

8. SHARE REPURCHASE MADE BY THE COMPANY

In the six months preceding the Latest Practicable Date, no Shares have been repurchased by the Company (whether on the Stock Exchange or otherwise).

NOTICE OF THE ANNUAL GENERAL MEETING



MAGICIAN INDUSTRIES (HOLDINGS) LIMITED

通達工業(集團)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 526)

NOTICE IS HEREBY GIVEN that the annual general meeting of Magician Industries (Holdings) Limited (通達工業(集團)有限公司) (“**Company**”) will be held at Flat A, 2nd Floor, Yeung Yiu Chung (No.6) Industrial Building, 19 Cheung Shun Street, Cheung Sha Wan, Kowloon, Hong Kong on 18 September 2009 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and auditors for the year ended 31 March 2009.
2. To elect directors and to authorise the board of directors to fix remuneration of directors.
3. To appoint auditors and to authorise the board of directors to fix their remuneration.
4. As special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions:

A. **“THAT**

- (a) subject to paragraph (c), the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to a Rights Issue (as defined below) or the exercise of the subscription rights under the share option scheme of the Company, shall not exceed 20 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the said approval shall be limited accordingly; and

* For identification purpose only

NOTICE OF THE ANNUAL GENERAL MEETING

- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company (“Bye-laws”) or any applicable laws to be held; and
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

B. “THAT

- (a) the exercise by the directors of the Company during the Relevant Period (as defined below) of all powers of the Company to purchase its own shares, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the said approval be limited accordingly; and
- (c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable laws to be held; and

NOTICE OF THE ANNUAL GENERAL MEETING

- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

C. “**THAT** conditional upon resolution no. 4B above being passed, the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the directors of the Company as mentioned in resolution no. 4B above shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to resolution no. 4A above.”

5. As special business, to consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the shares of HK\$0.01 each in the share of the Company (representing a maximum of 10% of the shares in issue as at the date of passing this Resolution) to be issued pursuant to the exercise of options which may be granted under the share option scheme adopted by the Company on 8 August 2002 (“the Share Option Scheme”) and any other share option schemes of the Company, the refreshment of the scheme limit on grant of options under the Share Option Scheme and any other share option schemes of the Company up to 10% of the shares in issue as at the date of passing this Resolution (“the Refreshed Scheme Limit”) be and is hereby approved and the directors of the Company be and is hereby authorized to do such acts and execute such documents to implement the Share Option Scheme within the Refreshed Scheme Limit.”

By Order of the Board
MAGICIAN INDUSTRIES (HOLDINGS) LIMITED
Li Li Xin
Chairman

Date: 14 August 2009

NOTICE OF THE ANNUAL GENERAL MEETING

Registered office:

Clarendon House
Church Street
Hamilton HM 11
Bermuda

Principal place of business in Hong Kong:

Flat A, 2nd Floor
Yeung Yiu Chung (No.6) Industrial Building
19 Cheung Shun Street
Cheung Sha Wan
Kowloon
Hong Kong

Notes:

1. A member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or, if he is the holder of two or more shares, more than one proxy to attend and vote in his stead. A proxy need not be a member of the Company.
2. To be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority must be deposited with the Company's principal office at Flat A, 2nd Floor, Yeung Yiu Chung (No.6) Industrial Building, 19 Cheung Shun Street, Cheung Sha Wan, Kowloon, Hong Kong not later than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. Completion and return of the accompanying form of proxy will not preclude members of the Company from attending and voting in person at the meeting or any adjournment thereof should they so wish.

As at the date of this notice, the Board comprises Mr Li Li Xin (Chairman) being non-executive director, Mr. Cheng Jian He being executive director, Mr. Xin Jin and Mr Lau Kin Hon being non-executive directors, Mr He Chengying, Mr Chan Man Sum Ivan and Mr Cheung Kiu Cho Vincent being independent non-executive directors.