

25 January 2008

Philippine Stock Exchange, Inc.  
4/F Philippine Stock Exchange Center  
Exchange Road, Ortigas Center  
Pasig City

Attention: **Atty. Pete M. Malabanan**  
Head, Disclosure Department

Gentlemen:

We are submitting herewith an Amended Third Quarter Report for Nihao Mineral Resources International, Inc.

The following disclosures were added to the original report submitted to the Securities and Exchange Commission and the Philippine Stock Exchange on 18 November 2007

- a) Page 2 to 3 - key performance factors and
- b) Page 6 - plan of operations

Thank you very much.

Very truly yours,

  
**ARSENIO C. CABRERA, JR.**  
*Corporate Information Officer*

# COVER SHEET

6	2	3	2	3					
---	---	---	---	---	--	--	--	--	--

N	I	H	A	O	M	I	N	E	R	A	L	R	E	S	O	U	R	C	E	S	I	N	T	E	R	
N	A	T	I	O	N	A	L	,	I	N	C	.	f	o	r	m	e	r	l	y	M	A	G	N	U	M
H	O	L	D	I	N	G	S	,	I	N	C															

(Company's Full Name)

2	0	F	T	H	E	P	E	A	K	T	O	W	E	R	,	1	0	7	L	.	P	.			
		L	E	V	I	S	T	E	S	T	.	S	A	L	C	E	D	O	V	I	L	L	A	G	E
										M	A	K	A	T	I	C	I	T	Y						

(Business Address : No. Street City / Town / Province)

ARSENIO C. CABRERA, JR.
-------------------------

Contact Person

(6	3	2)	8	5	6	2	0	1	1
----	---	----	---	---	---	---	---	---	---

Company Telephone Number

1	2
---	---

Month

3	1
---	---

Day

Fiscal Year

SEC 17-Q "A"
--------------

FORM TYPE

--	--

Month

--	--

Day

Annual Meeting

--

Secondary License Type, If Applicable

--	--	--

Dept. Requiring this Doc.

--

Amended Articles Number/Section

4	6	4
---	---	---

Total No. of Stocholders

Total Amount of Borrowings

--

Domestic

--

Foreign

To be accomplished by SEC Personnel concerned

--	--	--	--	--	--	--	--	--	--

File Number

\_\_\_\_\_

LCU

--	--	--	--	--	--	--	--	--	--

Document I.D.

\_\_\_\_\_

Cashier

**SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 17-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND  
SRC RULE 17(2)(b) THEREUNDER**

1. For the quarterly period ended September 30, 2007
2. Commission identification number 62323 3. BIR Tax Identification No 050-000-889-223
4. Exact name of issuer as specified in its charter NiHAO MINERAL RESOURCES INTERNATIONAL, INC. formerly Magnum Holdings, Inc.
5. Province, country or other jurisdiction of incorporation or organization Philippines
6. Industry Classification Code:  (SEC Use Only)
7. Address of issuer's principal office Postal Code  
20F The Peak Tower, 107 L. P. Leviste Street, Salcedo Village, Makati City
8. Issuer's telephone number, including area code (632)-848-29-15
9. Former name, former address and former fiscal year, if changed since last report

**MAGNUM HOLDINGS, INC.**

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
---------------------	---

<u><b>Common stock , P1.00 par value</b></u>	<u><b>100,000,000 shares</b></u>
--	----------------------------------

11. Are any or all of the securities listed on a Stock Exchange?

Yes [] No []

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

<u>Philippine Stock Exchange</u>	<u>Common stock- 85,040,000 shares</u>
----------------------------------	--

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11 (a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [] No []

(b) has been subject to such filing requirements for the past 90 days.

Yes [] No []

## PART I--FINANCIAL INFORMATION

### Item 1. Financial Statements.

Financial Statements for the third quarter ending September 30, 2007 was presented in conformity with accounting principles generally accepted in the Philippines. This Financial Statements meeting the requirements of SRC Rule 68, is furnished as specified therein.

### Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

#### FINANCIAL PERFORMANCE AND RESULTS OF OPERATION

Financial results showed ₱ 12.327 million loss brought about by the following transactions:

- 1) Payment of PSE annual listing maintenance fee for year 2007
- 2) Exploration costs
- 3) Professional fees (external auditor, legal fees and transfer agent)
- 4) Fines and penalties for late submission of reports
- 5) Other expenses to keep the company in an on-going concern

For the period ended September 2007 as against Sept. 2006:

a. In terms of Total Assets

The increase in total assets of P123.19 Million was brought about by:

- 1) additional cash advances from Stockholder and advances to fund expenses incurred during the Directors and Stockholders' meeting on 31 May 2007;
- 2) additional cash advances from stockholder to acquire Botolan property from Mina Tierra Gracia Inc;

b. In terms of total liabilities, the difference is attributable mainly on the following:

- 1) settlement of past due accounts made during the year, and
- 2) additional advances made from the Stockholder to fund various disbursements

c. In terms of capitalization, the SEC has approved the conversion of advances into equity, thus, the full subscription of its authorized capital stock of 100Million shares.

#### Key Performance Factors:

	<u>Sept. 2007</u>	<u>Sept. 2006</u>
Net Income (Loss)	(P12,327,390)	(P 760,206)
Total Current Assets	123,121,445	3,028
Current Liabilities	648,083	260,484
Total Liabilities	125,334,729	4,699,465
Stockholders' Equity	( 2,102,864)	( 4,656,436)
Debt to Equity Ratio	(59.60)	(1.009)
Current Ratio	189.98	0.0116
Loss per share	P 0.123	P0.009

**Debt to Equity Ratio:**

This ratio is determined by dividing the total liabilities into the total stockholders equity. The ratio measures the leverage on borrowed capital.

**Current Ratio:**

The ratio is computed by dividing the current assets into the current liabilities. The ratio measures the company's ability to pay maturing obligations.

**Loss Per Share:**

This is determine by dividing the net loss over the total subscribed shares

**Discussion and analysis of material events and uncertainties known to management that would address the past and would have an impact on future operation of the following:**

- a. Any known trends, demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the registrant's liquidity increasing or decreasing in any material way.

On 31 May 2007, the following matters were approved by 2/3 of the outstanding capital stock of the Company:

1. Change of corporate name to "NiHAO Mineral Resources International, Inc." and amend the Article I of the Articles of Incorporation and the By Laws. The "Ni" in the proposed corporate name is the element symbol for nickel and "Hao" the Chinese term for noble or abundant. Thus, the name "NiHAO" stands for Bountiful Nickel, which is the primary element that the company intends to mine;
2. Amendment of the primary purpose to the exploration, development, operation of mineral properties and the mining of metallic and non-metallic including but not limited to nickel, gold, copper and the like;
3. Amendment of Article VII of the Articles of Incorporation to increase the authorized capital stock from P100M divided into One Hundred Million shares with a par value of One Peso per share to P2B divided into Two Billion shares with a par value of One Peso per share;
4. Amendment of Article VII of the Articles of Incorporation to include a provision on the denial of pre-emptive rights of stockholders to all issues or disposition of shares of any class in proportion to their respective shareholdings.
5. The terms and conditions among others of the stock rights offering to be undertaken in order to fund the increase in NiHAO's authorized capital stock, namely:
  - a) That the stock rights offering shall consist of Five Hundred Million (500,000,000) to Seven Hundred Million (700,000,00) (the offer shares)(the "Stock Rights Offering"), which shall be issued out of the Corporation's increased authorized capital stock of Two Billion Pesos (P 2,000,000,000.00)
  - b) That each eligible investor shall be entitled to subscribe to five (5) rights shares for every one (1) share of NiHAO held as of record date;
  - c) That the Offer Shares shall be One Peso (P1.00) per Offer Share;
  - d) That the Offer Period for the Offer Shares shall commence within thirty (30) calendar days from the record date (the "Offer Period"), which date shall be set by NiHAO at least fifteen (15) trading days from approval of the Stock Rights Offering by the Board of Directors of the PSE;
  - e) That the Stock Rights Offering shall be subject to a greenshoe option whereby any eligible investor during the Offer Period may apply for additional subscription of up to two (2) rights shares for every one (1)

share of NiHAO held as of record date, subject to the availability of unsubscribed Offer Shares.

In addition, stockholders holding at least majority of the outstanding capital stock of NiHAO approved the following:

1. A general resolution authorizing the Board of Directors to (i) negotiate and enter joint ventures, technical services agreements, partnerships or other similar agreements with local and foreign entities and/or mining claim owners; (ii) negotiate and enter into agreements for the acquisition of mining tenements in the Philippines including, but not limited to, share-for-share swaps, property-for-share swaps, off-take agreements and other similar agreements, subject to such terms and conditions as the Board may deem to be in the best interests of the Corporation; and (iii) do all such acts as may be necessary and appropriate to implement the general resolution;
- II. The amendment of Article IV of the By-Laws to provide the following;
  - (b) the manner for nominating and electing directors; and
  - (c) the qualifications and election of independent directors;
- III. The amendment of Article VI of the By-Laws to provide for creation, duties and responsibilities of the Audit Committee, the Nomination Committee and the Compensation or Remuneration Committee; and
- IV. The issuance of Fourteen Million Nine Hundred Sixty Thousand (14,960,000) common shares out of the authorized but unissued portion of the Corporation's current authorized capital stock of One Hundred Million Pesos (P100,000,000.00) in order to accommodate the conversion of the following stockholders' advances into equity:
  1. Conversion of the advance of Chia Kim Teck in the amount of Two Million Three Hundred Forty Nine Thousand Seven Hundred Thirty Two and fifty centavos (P 2,349,732.50) into Two Million Three Hundred Forty Nine Thousand Seven Hundred Thirty Two (2,349,732) common shares with an aggregate par value of Two Million Three Hundred Forty Nine Thousand and Seven Hundred Thirty Two Pesos (P2,349,732);
  2. Conversion of the advance of OYEZ!!! Corporation (OYEZ!!) in the amount of Two Million Three Hundred Forty Nine Thousand Seven Hundred Thirty Two Pesos and Fifty Centavos (P2,349,732.50) into Two Million Three Hundred Forty Nine Thousand Seven Hundred Thirty Three (2,349,733) common shares with an aggregate par value of Two Million Three Hundred Forty Nine Thousand Seven Hundred Thirty Three Pesos (P2,349,733); and
  3. Conversion of the advance of OYEZ!!! In the amount of Ten Million Three Hundred Forty Two Thousand Pesos (P10,342,000.00) into Ten Million Two Hundred Sixty Thousand Five Hundred Thirty Five (10,260,535) common shares of the Corporation with an aggregate par value of Ten Million Two Hundred Sixty Thousand Five Hundred Thirty Five Pesos (P10,260,535.00)

On 28 June 2007, the Securities and Exchange Commission has approved the amendments to the Articles of the Incorporation as discussed in items 1-III above.

On August 7, 2007 the SEC approved item IV above, the conversion of debt to equity.

On 20 September 2007, Nihao signed a Subscription Agreement with Mina Tierra Gracia Inc. covering the subscription by Mina Tierra Gracia Inc. of 475 Million shares with a par value of P1 per share with the following salient terms and conditions:

- a) Initial payment by Mina Tierra of P118,750,000.00 broken down as follows:
  - i. P61,469,586.00 by way of assignment and conveyance of the Botolan Mining Rights covered by EPA-000075-III ("Botolan Mining Rights"). The valuation of the Botolan Mining Rights at P61,469,586.00 was based on third party valuation conducted by Minercon International, Inc. on 18 September 2007;
  - ii. P57,280,414 by way of cash.
- b) the balance amounting to P356,250,000.00 shall be paid by Mina Tierra Gracia Inc. upon call by the Board of Directors of the company.
- c) Mina Tierra Gracia Inc. shall waive its rights to subscribe to the proposed stock rights offering of the company to be conducted within the year to raise P500,000,000.00 to P700,000,000.00 under the terms and conditions approved During the 31 May 2007 Stockholders' Meeting of the Company.
- d) The issuance and listing of the aforesaid shares shall be subject to the approvals of the SEC and PSE.

On 16 October 2007, the following matters were approved:

- 1) The Board of Directors authorized the Management of Nihao to accept shareholder advances from OYEZ!!! Corporation in the amount of P61,469,586.00;
- 2) Revocation of the Subscription Agreement dated 20 September 2007 between Nihao and Mina Tierra Gracia Inc. and the assignment of Botolan Mining Rights as partial payment of Mina Tierra's subscription of Nihao shares.
- 3) In order to acquire the Botolan Mining Rights by way of cash and comply with the requirements of applicable law, rules and regulations for the increase of Nihao's authorized capital stock, the Board of Directors authorized the acquisition of the Botolan Mining Rights through the purchase of the entire issued and outstanding Capital stock of Mina Tierra from its existing shareholders for and in consideration of the amount of P61,469,586.00 payable in cash. This consideration is based on valuation of the Botolan Mining Rights made by Minercon International, Inc.

On 18 October 2007, the issuer has signed a Memorandum of Agreement with the Philippine Subsidiary of BHP Billiton Ltd. The agreement covers the Company's Botolan nickel prospect located within the Zambales Mountain Range in northern Luzon. The property covered by EPA-000075-III covers a total of 7,102 has. Under this agreement, Nihao will conduct a preliminary exploration and drilling program on the property with BHP Billiton providing technical expertise and advice through a joint exploration management committee. Nihao will shoulder all exploratory expenses during this period and will be responsible for all legal and regulatory aspects covering the property. The agreement also contains the commercial terms for offtake agreement, at BHP Billiton's option, between Nihao and BHP Billiton's Yabulu nickel refinery in Australia.

## PLAN OF OPERATIONS:

NIHAO, through its wholly-owned subsidiary, Mina Tierra Gracia, Inc., expects to further explore, develop and operate its nickel property in Botolan, Zambales ("the Botolan Mining Rights") for the next twelve (12) months. The Company is also examining the possibility of acquiring more mining rights through identifying most promising nickel laterite areas to add to its potential nickel reserves. These highly potential areas will be delineated based on the results of previous reconnaissance work. Criteria for area selection will be topography, accessibility, degree of laterite development and indicative nickel grades.

The grid drilling and test pitting program will be carried out in the selected areas within a period of nine (9) months starting in February. A total of about 1,500 holes are expected to cover the potential areas to result in the computation of a measured indicated resource.

Likewise, mapping and geophysical survey of chromite deposits will also be undertaken within the first half of the year. This includes the mapping in detail, with trenching and possibly drilling of identified outcrops of chromite. The geophysical survey will be sourced out to define the subsurface extensions of chromite ore bodies.

The Company has filed an application with the Philippine Stock Exchange, Inc. ("PSE") for a 5:1 Stock Rights Offering which is expected to raise at least P500million. Majority of the proceeds from the stock rights offer shall be utilized to fund the exploration and project development of the Botolan Mining Rights and acquisition of additional nickel mining rights. Further, the Company is considering the possibility of constructing processing facilities for its nickel ores, including but not limited to ferro-nickel smelters or high-pressure acid leach plants. Such construction of processing facilities shall be funded by the proceeds from the proposed stock rights offer.

- b) There are no events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation
- c) There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.
- d) There are no material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures.
- e) There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on the Company's financial statements.
- f) There are no significant element of income or loss that did not arise from the issuer's continuing operations:
- g) The causes for any material change from period to period which shall include vertical and horizontal analyses of any material item:

The increase on deficit is due to uncontrollable expenses to keep the company an on-going concern, plus other expenses relative to the proposed increase in authorized capital stock from P100M to P2B.

The advances made by the new and old NiHAO management to fund the various expenses increase the Payable to Stockholders account from September 2006 to September 2007.



## PART II--OTHER INFORMATION

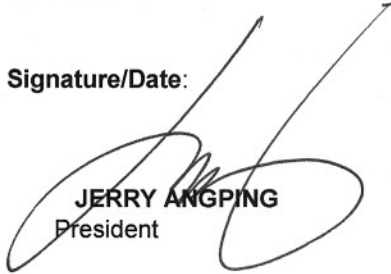
The issuer may, at its option, report under this item any information not previously reported in a report on SEC Form 17-C. If disclosure of such information is made under this Part II, it need not be repeated in a report on Form 17-C which would otherwise be required to be filed with respect to such information or in a subsequent report on Form 17-Q.

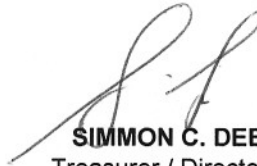
**NOT APPLICABLE**

## SIGNATURES

Pursuant to the requirements of the Securities Regulations Code, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Signature/Date:

  
**JERRY ANGPING**  
President

  
**SIMMON C. DEE**

Treasurer / Director/ Compliance Officer

Date signed: 1/25/2008

Date signed: 1/24/2008

**NIHAO MINERAL RESOURCES INTERNATIONAL, INC.  
INDEX TO FINANCIAL STATEMENTS**

**FORM 17-Q, Item 1**

**Consolidated Financial Statements**

Balance Sheets as of September 30, 2007 and December 31, 2006

Statements of Income

For the Nine Month Period Ending September 30, 2007 and 2006

Statements of Changes in Stockholders Equity

Statements of Cash Flows

For the Nine Month Period Ending September 30, 2007 and 2006

Notes to Consolidated Financial Statements

NIHAO MINERAL RESOURCES INTERNATIONAL, INC.  
BALANCE SHEETS

	Unaudited Sept. 30, 2007	Audited December 31, 2006
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	P 123,016,277	P 14,000
Other current assets	105,168	
<b>Total Current Assets</b>	<b>123,121,445</b>	<b>14,000</b>
Noncurrent Assets		
Advances to Officers and Employees (Note 4)	110,420	40,000
	P 123,231,865	P 54,000
<b>LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>		
Current Liabilities		
Accounts Payables and Accrued Expenses (Note 5)	P 648,083	P 64,841
Noncurrent Liabilities		
Payables from stockholder and affiliates (Note 4)	124,686,646	4,806,098
<b>Total Liabilities</b>	<b>125,334,729</b>	<b>4,870,939</b>
Stockholder's Equity		
Capital Stock - P1 par value		
Authorized - 100,000,000 shares		
Issued - 85,040,000 shares		85,040,000
Issued - 100,000,000 shares	100,000,000	
Additional Paid-in Capital	271,465	190,000
Deficit	(102,374,329)	(90,046,939)
<b>Total Stockholders' Equity</b>	<b>(2,102,864)</b>	<b>(4,816,939)</b>
	P 123,231,865	P 54,000

NIHAO MINERAL RESOURCES INTERNATIONAL, INC.  
 STATEMENTS OF INCOME  
 (Unaudited)

	July 1 to Sept. 30, 2007 (Three Months)	July 1 to Sept 30, 2006 (Three Months)	January 1 to Sept. 30, 2007 (Nine Months)	January 1 to Sept. 30, 2006 (Nine Months)
<b>REVENUES</b>				
Net sales	P		P	
Interest Income	19,634		19,634	
	<u>19,634</u>	-	<u>19,634</u>	-
<b>EXPENSES</b>				
Exploration Costs	100,000		9,100,000	
Salaries & Wages & Employee Benefits	298,141		587,648	
Listing Fee	11,200		233,600	220,000
Professional Fee	277,897	49,500	2,070,254	148,500
Fines & Penalties	3,348	42,300	102,898	42,300
Taxes and Licenses	2,500	9,020	89,693	9,020
Ads	31,590		31,590	
Rent		15,000		45,000
Meetings & Conferences	2,718	47,080	61,385	106,281
Transportation & Travel	1,974	21,189	2,178	88,257
Interest Expense		33,612		72,979
Office Supplies	7,054		7,054	
Communication	5,595		5,595	
Insurance	8,000		9,300	-
Printing Expense	3,443		18,718	
Distribution	7,238		22,052	
Bank Charges	50		100	
Miscellaneous		13,185	4,960	27,869
	<u>760,747</u>	<u>230,886</u>	<u>12,347,024</u>	<u>760,206</u>
<b>INCOME (LOSS) BEFORE NET EARNINGS (LOSSES)</b>				
<b>APPLICABLE TO MINORITY INTEREST</b>	(741,113)	(230,886)	(12,327,390)	(760,206)
<b>PROVISION FOR INCOME TAX</b>		-		
<b>NET INCOME (LOSS)</b>	P (741,113)	P (230,886)	P (12,327,390)	P (760,206)
<b>NO. OF COMMON SHARES</b>	100,000,000	85,040,000	100,000,000	85,040,000
<b>Loss Per Share</b>	(0.007)	(0.003)	(0.123)	(0.009)

*Note: No dividends declared during the period*

NIHAO MINERAL RESOURCES INTERNATIONAL, INC.  
 STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

	Unaudited Sept. 30, 2007		Audited December 31, 2006		Unaudited Sept. 30, 2006		Audited December 31, 2005	
<b>CAPITAL STOCK - P 1 par value</b>								
Authorized - 100,000,000 shares								
Issued - 85,040,000 shares	P		P	85,040,000	P	85,040,000	P	85,040,000
Issued - 100,000,000 shares		100,000,000						
Additional Paid-in capital		271,465		190,000		190,000		190,000
	P	100,271,465	P	85,230,000	P	85,230,000	P	85,230,000
<b>DEFICIT</b>								
Balance at beginning of period		90,046,939		89,126,231		89,126,231		88,337,537
Net Income (loss)		(12,327,390)		(920,708)		(760,206)		(788,694)
Balance at end of period		102,374,329		90,046,939		89,886,437		89,126,231
<b>STOCKHOLDERS' EQUITY, END</b>	P	(2,102,864)	P	(4,816,939)	P	(4,656,437)	P	(3,896,231)

NiHAO MINERAL RESOURCES INTERNATIONAL, INC.  
 STATEMENT OF CASH FLOWS  
 (Unaudited)

	July 1 to Sept. 30, 2007 (Three Months)	July 1 to Sept. 30, 2006 (Three Months)	Jan 1 to Sept. 30, 2007 (Nine Months)	Jan 1 to Sept. 30, 2006 (Nine Months)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Income (loss) before income tax	₱ (741,113)	₱ (230,883)	₱ (12,327,390)	₱ (760,204)
Adjustment to reconcile net loss to net cash provided by operating activities				
Depreciation and amortization				-
Amortization of goodwill				-
Net earnings (loss) applicable to minority interest				-
Changes in operating assets and liabilities				
Decrease (increase) in :				
Accounts receivable	(34,748)		(105,168)	-
Other current assets	2,587	-	(70,420)	-
Increase (decrease) in :				
Accounts payable and accrued expenses	550,132	106,483	583,242	165,437
				-
<b>NiHAO MINERAL RESOURCES INTERNATIONAL, INC.</b>	<b>(223,141)</b>	<b>(124,400)</b>	<b>(11,919,736)</b>	<b>(594,768)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment and advances				
Disposals (acquisitions) of property and equipment				-
Decrease (increase) in other assets				
Net cash used in investing activities				-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Bank loans				-
Payables to stockholders and affiliates	107,983,953	99,799	119,880,548	593,468
Debt to equity conversion	15,041,465		15,041,465	-
Net cash provided by (used in) financing activities	123,025,418	99,799	134,922,013	593,468
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>122,802,277</b>	<b>(24,601)</b>	<b>123,002,277</b>	<b>(1,300.00)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>214,000</b>	<b>27,629</b>	<b>14,000</b>	<b>4,328</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>₱ 123,016,277</b>	<b>₱ 3,028</b>	<b>₱ 123,016,277</b>	<b>₱ 3,028</b>

**NiHAO MINERAL RESOURCES INTERNATIONAL, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(UNAUDITED)**

---

**1. General**

NiHAO Mineral Resources International, Inc. formerly Magnum Holdings, Inc. was incorporated in the Philippines and registered with the Securities and Exchange Commission on July 9, 1975 under SEC Registration No. 62323. The change in trade name was approved by the SEC on June 28, 2007. The Company's primary purpose was likewise changed to mining industry.

The registered office address of the Company is 20F The Peak, 107 L.P. Leviste Street Salcedo Village, Makati City.

The Company has two personnel to handle the Finance and Administrative matters of the Company.

---

**2. Summary of Significant Accounting Policies**

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

Basis of Preparation

The Company's financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). The term PFRS includes all PFRS, Philippines Accounting Standards (PAS) and interpretation, which have been approved by the Accounting Standards Council (now called Financial Reporting Standards Council or FRSC).

The policies set out below have been consistently applied to both years presented.

The preparation of financial statements in conformity with PFRS required the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies. Actual results may ultimately differ from these estimates.

New Standards, amendments and interpretations effective 2006 and onwards

The following standards, amendments, and interpretations which are mandatory for accounting period beginning on or after January 1, 2006, unless otherwise stated, are not adopted and not relevant to the Company's operations.

Philippine Accounting Standards

- PAS 19 Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures
- PAS 39 Cash Flow Hedge Accounting of Forecast of Intragroup Transactions
- PAS 39 The Fair Value Option
- PAS 39 Financial Guarantee Contracts

Philippine Financial Reporting Standards

- PFRS 4 Financial Guarantee Contract
- PFRS 6 Exploration for and Evaluation of Mineral Resources

#### Philippine Interpretation

- IFRIC 4 Determining whether an Arrangement Contains a Lease
- IFRIC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
- IFRIC 7 Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies
- IFRIC 8 Scope of PFRS 2
- IFRIC 9 Reassessment of Embedded Derivatives
- IFRIC 10 Interim Financial Reporting and Impairment (effective on or after November 1, 2006)

#### Related party and related party transactions

Related party relationships exist when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities, which are under common control with the reporting enterprise and its key management, personnel, directors, or its shareholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Transactions between related parties are accounted for at arm's length prices or on terms similar to those offered to non-related entities in an economically comparable market.

#### Functional and presentation currency

Items include in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the Philippine peso). The financial statements are presented in Philippine peso, which is the Company's functional and presentation currency.

#### Financial Risk management

The Company's activities expose it to a variety of financial risks: credit risk and liquidity risk. The company's overall risk management program seeks to minimize potential adverse effects on the financial performance of the Company.

The policies for managing specific risks are summarized below:

##### *Liquidity Risk*

In the management of liquidity, the company monitors and maintains a level of cash deemed adequate by the management to finance the Company's operations and mitigate the effects of fluctuation in cash flows.

##### *Credit Risk*

The Company's establishes credit limits at the level of the individual borrower and corporate relationship.



### Financial assets and liabilities

The carrying amounts of the financial assets (receivables and other non-current assets) and financial liabilities (payables and accrued expenses) recorded in the financial statements represents their respective fair values.

### Cash

Cash includes money and any other negotiable instruments that are payable in money and acceptable by the bank for deposit and immediate credit. Cash is valued at face value.

### Accounts payable and accrued expenses

Accounts payable and accrued expenses are recognized in the period in which the related money are received or when a legally enforceable claim against the Company is established.

### Expense Recognition

Expenses are recognized when incurred.

### Basic loss per share

Basic loss per share is determined by dividing net loss by the total number of shares of stock issued and outstanding during the year.

### Income taxes

Income tax payable on profits, based on the applicable tax laws, is recognized as an expense in the period in which profit arise.

---

### 3. **Going concern uncertainties**

The accompanying financial statements have been prepared on the assumption that the Company will continue as a going concern. However, the following factors, among others, indicate that the Company may not be able to continue as a going concern:

- The Company incurred losses of P12,327,390; P920,708 and P760,206 and capital deficiency of P2,102,865; P4,816,939 and P4,656,436 for the period ending September 30, 2007, December 31, 2006 and September 30, 2006 respectively , as shown in its financial statements.
- The losses were attributed primarily in keeping the issuer on an on-going concern as a publicly listed company.

---

### 4. **Related entities and related party transactions**

Below shows the confirmed balances of related party transactions.

	Sept. 30, 2007	December 31, 2006
Stockholders	(P124,686,646)	(P4,806,098)
Officers and employees	110,420	40,000

---

**5. Accounts payable and accrued expenses**

This account consists of:

	Sept. 30, 2007	December 31, 2006
Accounts Payable	P600,954	P12,112
Accrued Professional Fees	47,129	52,729
	<b>P648,083</b>	<b>P64,841</b>

NIHAO MINERAL RESOURCES INTERNATIONAL, INC.  
 AGING OF ACCOUNTS RECEIVABLE  
 AS OF SEPTEMBER 30, 2007

	Current	1 to 30 Days	31 to 60 Days	61 to 90 Days	Over 90 Days	Total
Trade						-
Officers and Employees						-
Suppliers						-
Others					110,420	110,420
Total	-	-	-	-	110,420	110,420
Less: Allowance for doubtful accounts						-
Accounts Receivable - Net	-	-	-	-	110,420	110,420