

COVER SHEET

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SEC Registration Number

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| | | M | A | G | N | U | M | | H | O | L | D | I | N | G | S | | I | N | C |

(Company's Full Name)

| | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|--|---|---|---|---|---|---|---|--|--|--|--|
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| B | A | R | A | N | G | A | Y | | S | A | N | | A | N | T | O | N | I | O | | | | |
| P | A | S | I | G | | C | I | T | Y | | | | | | | | | | | | | | |

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

| |
|------------------------|
| ESMERALDO E. INTERVALO |
|------------------------|

Contact Person

| | | | | | | | |
|---|---|---|--|---|---|---|---|
| 6 | 3 | 1 | | 8 | 1 | 9 | 5 |
|---|---|---|--|---|---|---|---|

Company Telephone No.

| | | | | |
|---|---|--|---|---|
| 1 | 2 | | 3 | 1 |
|---|---|--|---|---|

Month Day
Fiscal Year

| | | | |
|---|---|---|---|
| 1 | 7 | - | Q |
|---|---|---|---|

Form Type

| | | | | |
|---|---|--|---|---|
| 0 | 5 | | 1 | 5 |
|---|---|--|---|---|

Month Day
Annual Meeting

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|--|

Secondary Licenses Type, if applicable

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Dept. Requiring this Doc.

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Amending Articles Number / Section

| | | |
|---|---|---|
| 4 | 7 | 9 |
|---|---|---|

Total No. of Stockholders

Total Amount of Borrowings

| |
|---------------|
| Php 4,239,180 |
|---------------|

Domestic

| | | | |
|---|---|---|---|
| N | O | N | E |
|---|---|---|---|

Foreign

To be accomplished by SEC Personnel concerned

| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | |
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File Number

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Document ID

C A S H I E R

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| S | T | A | M | P | S |
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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 quarter period ended March 31, 2006
2. Commission identification number 62323 3. BIR TIN No. 050-000-889-223
Magnum Holdings, Inc.
4. Exact name of issuer as specified in its charter
Pasig City
5. Province, country or other jurisdiction of incorporation or organization
6. Industry Classification Code (SEC use Only)

- No. 17 Malvar Street
Barangay San Antonio
Pasig City 1600
7. Address of issuer's principal office Postal Code

- 631 - 81 - 95
8. Issuer's telephone number, including area code
- Not applicable

9. Former name, former address and former fiscal year, if changed since last report

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

| Title of each Class | Number of shares of common stock outstanding and amount of debt outstanding |
|----------------------|---|
| <u>Common Shares</u> | <u>85,040,000 shares</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:

Philippine Stock Exchange Common Shares

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 ()

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

Yes () No (x)

PART 1 - FINANCIAL INFORMATION

Item 1 Financial Statements - Enclosed

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

Magnum Holdings, Inc have not seen any significant improvement in the economic conditions that will ease up the cost of doing business during the quarter as it is in the immediately preceding year. Because of the uncertain profitability of doing business the company has maintained the same "Cautious" stance during the quarter and shall maintain the same stance for the next quarter.

Financial Condition

To sustain the "necessary" expenses that has to be incurred during the continued suspension of operation, the company continuously depended on the financial support of its major stockholder, Sagarmatha, Inc. The support is in a bilateral agreement so approve in the Board Resolution, between the Company and Sagarmatha, Inc. one of its shareholders, such that the latter will temporarily advance the payment pf the suspended operation expenses. These advances are non-interest bearing. To enable the company to pay its petty expenses, Sagarmatha, Inc. also provided the company with a sort of a petty cash fund deposited in a current account. The fund is replenished when depleted upon request of Magnum Holdings, Inc.

The company is working on the documentation of the stock rights to be issued from the unissued shares in the amount of P14,960,000. The proceeds from the issuance of 17% or P14,456,800 will enable the company to eliminate the capital deficit of P4,248,768 as of March 31, 2006 and the balance of about P10.2 million will be invested in some profitable business as soon as management has determined its investment priority and/or use as working capital in active trading in the Philippine Stock Exchange.

The company is still in the process of looking for investment priorities as of March 31, 2006. In view of this, the company is not in a position to determine each performance indicator for the next period.

Results of Operation

The company has been sustaining losses since August of 2000. This represents the cost of suspended operation expenses of a going concern such as office rental, annual listing maintenance fee, audit fee, corporate secretarial fees, etc..

The expenses of the company during the first quarter of the year amounted to P352,537, decreasing by 1% compared with the P354,841 incurred in the same period last year.

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| | | |
|-------------------------------------|--------------|-----------------------|
| Factors causing increase | | |
| 1. Gasoline price | 23,692 | |
| 2. Miscellaneous expenses | <u>3,229</u> | 26,921 |
| Factors causing decrease | | |
| 1. Taxes and licenses | 20,500 | |
| 2. Meeting and conferences | <u>8,725</u> | <u>29,225</u> |
| Net increase (decrease) in expenses | | <u><u>(2,304)</u></u> |

Please note that the cause of the increase refers only to uncontrollable items. The company is continuously controlling its expenses to reduce the loss to possible minimum amount.

PART II - OTHER INFORMATION

a. Properties

The company does not own any property (such as real estate, plant and equipment, mines, patent, etc.). There are no planned acquisition of properties in the next period.

The company is renting an office space in Barangay San Antonio, Pasig City. The lease contract indicates a monthly rental of P 5,000 for a period of one (1) year commencing July 2004. The contract is renewable yearly.

b. Legal Proceedings

For the past (5) years, the issuer has not come into possession of any information on any material pending legal proceedings of the following nature, which any of its directors and executive officers is a party to or of which any of their property is subject:

1. Any Bankruptcy Petition
2. Conviction by Final Judgement
3. Being subject to any order, judgment or decree
4. Violation of a Securities or Commodities Law or Regulation

c. The company has not declared any cash dividend in the previous and current quarters.

d. Others

1. The company did not have any contingent liability or contingent assets since August 2000.
2. The company does not own any subsidiary.

SIGNATURES

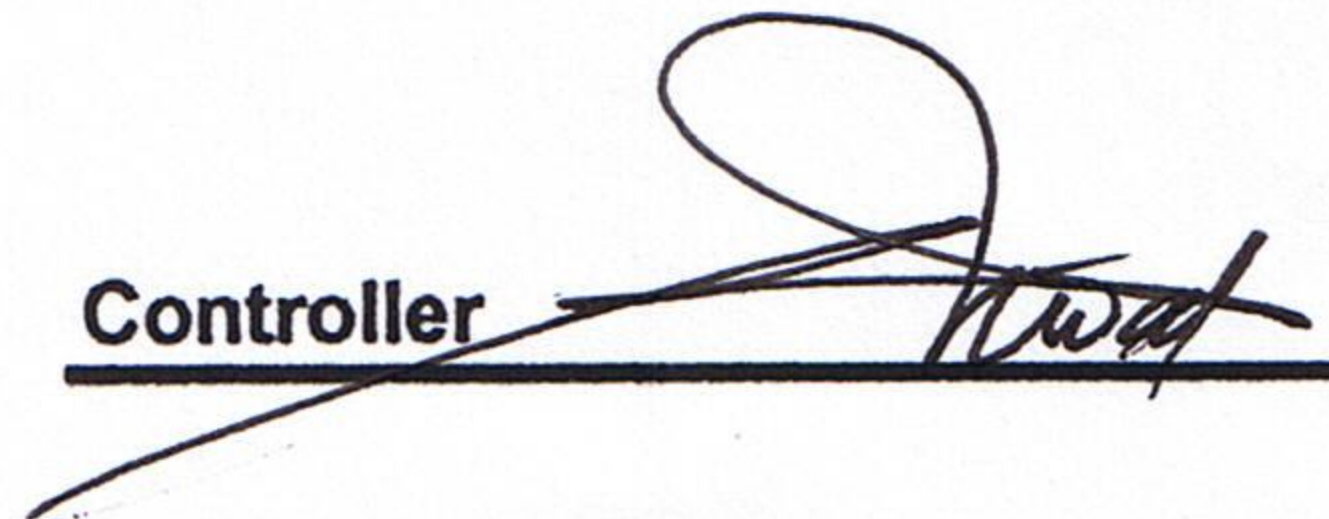
Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer 
Toribio U. Reyes III

Signature and Title Chairman of the Board

Date 05.02.06

Controller Esmeraldo E. Intervalo

Signature and Title Controller 

Date 04-27-06

**SEC Form 17-Q
February 2001**

MAGNUM HOLDINGS, INC.
BALANCE SHEETS

| | Unaudited | | Audited | |
|--|---------------|----------------|---------------|---------------|
| | 03-31-06 | 03-31-05 | 12-31-05 | 12-31-04 |
| ASSETS | | | | |
| CURRENT ASSETS | | | | |
| Cash in bank | 31,912 | 53,170 | 4,327 | 10,622 |
| Prepaid expenses | 23,000 | 0 | 0 | 0 |
| Advances (Note 3) | 40,000 | 59,253 | 40,000 | 37,753 |
| TOTAL ASSETS | 94,912 | 112,423 | 44,327 | 48,375 |
| EQUITIES | | | | |
| CURRENT LIABILITIES | | | | |
| Accounts payable and accrued expenses (Note 4) | 104,500 | 123,000 | 95,046 | 102,000 |
| Advances from shareholder (Note 5) | 4,239,180 | 3,451,801 | 3,845,512 | 3,053,912 |
| Total Current Liabilities | 4,343,680 | 3,574,801 | 3,940,558 | 3,155,912 |
| STOCKHOLDERS' EQUITY | | | | |
| Capital Stock - P1.00 par value Authorized-100 million shares Issued - 85,040,000 shares | 85,040,000 | 85,040,000 | 85,040,000 | 85,040,000 |
| Additional paid-in capital | 190,000 | 190,000 | 190,000 | 190,000 |
| Deficit | (89,478,768) | (88,692,378) | (89,126,231) | (88,337,537) |
| Total Stockholders' Equity | (4,248,768) | (3,462,378) | (3,896,231) | (3,107,537) |
| TOTAL EQUITIES | 94,912 | 112,423 | 44,327 | 48,375 |

MAGNUM HOLDINGS, INC.
STATEMENTS OF INCOME AND RETAINED EARNINGS

| | 2006 | | 2005 | |
|---------------------------------------|----------------|-------------------|----------------|-------------------|
| | Jan - Mar | To - Date | Jan - Mar | To - Date |
| REVENUES | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| COST AND EXPENSES | | | | |
| Annual listing maintenance fee | 220,000 | 220,000 | 220,000 | 220,000 |
| Professional fees | 49,500 | 49,500 | 49,500 | 49,500 |
| Occupancy expenses | 15,000 | 15,000 | 15,000 | 15,000 |
| Meetings and conferences | 18,000 | 18,000 | 26,725 | 26,725 |
| Gas, oil and parking | 40,000 | 40,000 | 16,308 | 16,308 |
| Taxes and licenses | 0 | 0 | 20,500 | 20,500 |
| Miscellaneous | 10,037 | 10,037 | 6,808 | 6,808 |
| | | | | |
| Total | <u>352,537</u> | <u>352,537</u> | <u>354,841</u> | <u>354,841</u> |
| NET LOSS DURING THE PERIOD | <u>352,537</u> | <u>352,537</u> | <u>354,841</u> | <u>354,841</u> |
| DEFICIT AT BEGINNING OF PERIOD | | <u>89,126,231</u> | | <u>88,337,537</u> |
| DEFICIT AT END OF THE PERIOD | | <u>89,478,768</u> | | <u>88,692,378</u> |
| LOSS PER SHARE | | <u>0.004</u> | | <u>0.004</u> |

NOTE: The net loss per share was computed by dividing the net loss during the period by the common shares outstanding of 85,040,000 shares.

**MAGNUM HOLDINGS, INC.
STATEMENTS OF CASH FLOW**

| | 2006 | | 2005 | |
|---|---------------|---------------|---------------|---------------|
| | Jan-Mar | To-date | Jan-Mar | To-Date |
| CASH AT BEGINNING OF PERIOD | 4,327 | 4,327 | 10,622 | 10,622 |
| CHANGES DURING THE PERIOD: | | | | |
| Provided by (used in) operation | (352,537) | (352,537) | (354,841) | (354,841) |
| Decrease (increase) in operating assets: | | | | |
| Accounts receivable-others | | | (16,500) | (16,500) |
| Prepaid and other current assets | (23,000) | (23,000) | (5,000) | (5,000) |
| Increase (decrease) in liabilities: | | | | |
| Accounts payable and accrued expenses | 9,453 | 9,453 | 21,000 | 21,000 |
| Income tax payable | | | | |
| (Decrease) Increase in short-term investments. | | | | |
| Proceeds from sale of investment in sh of stock | | | | |
| Acquisitions of property and equipment | | | | |
| Proceeds from sale of property and equipment | | | | |
| Advances from shareholder | 393,668 | 393,668 | 397,889 | 397,889 |
| Loans collected (granted to) affiliates | | | | |
| Net change during the period | 27,584 | 27,584 | 42,548 | 42,548 |
| CASH END OF PERIOD | 31,911 | 31,911 | 53,170 | 53,170 |

**MAGNUM HOLDINGS, INC.
STATEMENTS OF CHANGES IN EQUITY**

| | 2006 Jan-Mar | 2005 Jan-Mar |
|--------------------------------|--------------------------------|--------------------------------|
| Deficit beginning | <u>3,896,231</u> | <u>3,107,537</u> |
| Cost and expenses | | |
| Annual listing maintenance fee | 220,000 | 220,000 |
| Professional fees | 49,500 | 49,500 |
| Occupancy expenses | 15,000 | 15,000 |
| Meetings and conferences | 18,000 | 26,725 |
| Gas, oil and parking fees | 40,000 | 16,308 |
| Taxes and licenses | 0 | 20,500 |
| Miscellaneous | 10,037 | 6,808 |
| | <u>352,537</u> | <u>354,841</u> |
| Deficit ending | <u><u>4,248,768</u></u> | <u><u>3,462,378</u></u> |

MAGNUM HOLDINGS, INC.
Notes to Financial Statements
March 31, 2006

1 CORPORATE INFORMATION

a. Magnum Holdings Inc. was incorporated in the Philippines and registered with the Securities and Exchange Commission on July 9, 1975 under SEC Reg. No. 62323. Its articles of incorporation was amended on the following dates:

July 20, 1989 - increase in authorized capital stock
February 24, 1994 - change of name
May 4, 1995 - increase in the par value of capital stock

b. The Company's primary purpose is to acquire by purchase, exchange, assignment, gift or otherwise, and to hold own and use for investment or otherwise, and to sell, assign, operate or dispose any and all properties of every kind and description as to the extent permitted by law.

c. On July 1, 2004 the company transferred its office location from Legaspi Village, Makati City to Barangay San Antonio, Pasig City. The new registered office address is No. 17 Malvar street, Barangay San Antonio, Pasig City.

d. The Company's personnel requirement is being accommodated by its shareholder Sagarmatha, Inc. since MHI is not actively-trading. The seconded number of employees to the Company is Two (2) during the first three (3) quarters of 2004 as it was in the year 2003 and 2002.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The accompanying financial statements are prepared in conformity with accounting principles generally accepted in the Philippines and under the historical cost convention.

The accounting policies and methods of computation are consistently applied to the current and preceding financial statements.

Loss per share

Loss per share is determined by dividing net loss by the weighted average number of shares of capital stock issued and outstanding during the year.

3 ADVANCES

The outstanding cash advance in the amount of P40,000 represents the account of F. Cabarrus advanced in 2005.

4 ACCOUNTS PAYABLE AND ACCRUED EXPENSES

This account consists of the following unpaid expenses:

| | <u>2006</u> | <u>2005</u> |
|----------------------------|----------------|----------------|
| Occupancy expenses | 15,000 | 0 |
| Professional fees | | |
| RS Bernaldo | 33,000 | 22,000 |
| Professional Stock transf. | 11,000 | 5,500 |
| AS Arellano & Co. | 19,500 | 13,000 |
| Unpaid liquidations | 0 | 82,500 |
| Outstanding checks | 26,000 | 0 |
| | <u>104,500</u> | <u>123,000</u> |

5 ADVANCES FROM SHAREHOLDER

A bilateral agreement so approved in a Board Resolution, was reach between the Company and Sagarmatha, Inc., one of its stockholders, such that the latter will temporarily advance the payment of the suspended operation expenses pending resumption of the trading operation. These advances are non-interest bearing. The total of this advances amounted to about P2.9 million as of the balance sheet date.

6 STOCK RIGHTS OFFERING

On December 2003, the stockholders approved stock rights offering out of the unissued capital stock of 14,960,000 shares at P1 par value. The company is presently working on the documentation of the stock rights offering in preparation for the submission of the same to the commission and Philippine Stock Exchange for approval.