

# MAGNUM HOLDINGS, INC.

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## BALANCE SHEETS

			December 31	
	Notes		2006	2005
<b>ASSETS</b>				
<b>Current</b>				
Cash	2	P	14,000	P 4,327
<b>Non-current</b>				
Advances to officers and employees	2, 4, 9		40,000	40,000
		P	54,000	P 44,327
<b>LIABILITIES AND CAPITAL DEFICIENCY</b>				
<b>LIABILITIES</b>				
<b>Current</b>				
Accounts payable and accrued expenses	2, 5	P	64,841	P 95,046
<b>Non-current</b>				
Advances from shareholders	2, 4		4,806,098	3,845,512
			4,870,939	3,940,558
<b>CAPITAL DEFICIENCY</b>			(4,816,939)	(3,896,231)
		P	54,000	P 44,327

*The notes on pages 7 to 11 are an integral part of these financial statements.*

# MAGNUM HOLDINGS, INC.

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## STATEMENTS OF EXPENSES

		Years Ended December 31	
	Notes	2006	2005
<b>EXPENSES</b>			
Professional fees		P 231,960	P 228,000
Listing fees		220,000	220,000
Meetings and conferences		152,280	152,629
Transportation		93,166	50,140
Interest expense		72,979	-
Rent		55,000	60,000
Fines and penalties		42,300	-
Taxes and licenses		12,112	17,568
Communication		-	32,697
Others		40,911	27,661
<b>NET LOSS</b>		<b>P 920,708</b>	<b>P 788,695</b>
<b>BASIC LOSS PER SHARE</b>	2,7	<b>P 0.011</b>	<b>P 0.009</b>

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## MAGNUM HOLDINGS, INC.

### STATEMENTS OF CHANGES IN CAPITAL DEFICIENCY

		Years Ended December 31	
	Notes	2006	2005
<b>SHARE CAPITAL</b>			
Par value, P1 per share			
Authorized share-100,000,000	<u>P 100,000,000</u>	6	
Issued and outstanding - 85,040,000 shares	6	<b>P 85,040,000</b>	P 85,040,000
Additional paid-in capital		<b>190,000</b>	190,000
		<b>85,230,000</b>	85,230,000
<b>DEFICIENCY</b>			
Balance, beginning of year		<b>89,126,231</b>	88,337,537
Net loss		<b>920,708</b>	788,694
Balance, end of year		<b>90,046,939</b>	89,126,231
		<b>P (4,816,939)</b>	P (3,896,231)

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## MAGNUM HOLDINGS, INC.

### STATEMENTS OF CASH FLOWS

		Years Ended December 31	
	Notes	2006	2005
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net loss		P 920,708	P 788,695
Changes in operating asset and liabilities:			
Increase in other current asset		-	2,247
Decrease in accounts payable and accrued expenses		30,205	6,953
Net cash used in operating activities		950,913	797,895
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from advances from shareholders		960,586	791,600
<b>NET INCREASE (DECREASE) IN CASH</b>		<b>9,673</b>	<b>(6,295)</b>
CASH, BEGINNING OF YEAR	2	4,327	10,622
<b>CASH, END OF YEAR</b>	2	<b>P 14,000</b>	<b>P 4,327</b>

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