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Midas Holdings Limited

麥達斯控股有限公司

(Singapore Registration No.: 200009758W)

(Incorporated in Singapore with limited liability)

(Hong Kong Stock Code: 1021)

(Singapore Stock Code: 5EN)

PROPOSED CHANGE OF AUDITORS

The Board wishes to announce that Messrs BDO LLP will resign as the auditors of the Company and the Board proposes to appoint Messrs Mazars LLP in place of Messrs BDO LLP, subject to the approval of the Shareholders at the EGM. The proposed change of auditors will take effect upon obtaining the approval of the Shareholders at the EGM.

A circular containing, among other matters, the information on the proposed change of auditors and a notice convening the EGM will be despatched to the Shareholders in due course.

This announcement is made by the board of directors (the "**Board**") of Midas Holdings Limited (the "**Company**") pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Board wishes to announce that Messrs BDO LLP will resign as the auditors of the Company and the Board proposes to appoint Messrs Mazars LLP in place of Messrs BDO LLP, subject to the approval of the shareholders of the Company ("**Shareholders**") at an extraordinary general meeting ("**EGM**").

As part of the Company's ongoing good corporate governance initiatives, the Board and management are of the view that it would be timely to effect a change of external auditors. Messrs BDO LLP have served as external auditors of the Company and its subsidiaries since the financial year ended 31 December 2005.

A rotation of audit firm is recommended to discourage an audit firm from focusing on maintaining long-term relationships with the audit client, which could undermine the independence and effectiveness of the audit firm. A change of auditors would also enable the Company to benefit from fresh perspectives and views of another professional firm and also further enhance the value of the audit.

In this regard, the Company has sought quotations for audit services from various audit firms. Having considered the proposals submitted by these firms, the Board, with the concurrence of the audit

committee of the Company (the "**Audit Committee**"), are proposing to appoint Messrs Mazars LLP as auditors of the Company in place of Messrs BDO LLP to hold office until the conclusion of the next annual general meeting of the Company. Messrs BDO LLP have given notice to the directors of the Company of their resignation as the auditors of the Company on 26 September 2012, and Messrs Mazars LLP have given their consent to be appointed as the auditors of the Company on 27 September 2012. The proposed change of auditors will take effect upon obtaining the approval of the Shareholders at the EGM.

Messrs BDO LLP has confirmed that there are no matters in connection with its resignation that need to be brought to the attention of the Shareholders and there is no disagreement between the Board and Messrs BDO LLP regarding its resignation. The Board and the Audit Committee also confirm that there are no circumstances in respect of the proposed change of auditors that need to be brought to the attention of the Shareholders.

The Board would like to take this opportunity to express their appreciation for the past services rendered by Messrs BDO LLP.

A circular containing, among other matters, the information on the proposed change of auditors and a notice convening the EGM will be despatched to the Shareholders in due course.

On behalf of the Board
Midas Holdings Limited
Chew Hwa Kwang, Patrick
Executive Director and
Chief Executive Officer

Hong Kong, 27 September 2012

As at the date of this announcement, the executive directors of the Company are Mr. Chen Wei Ping and Mr. Chew Hwa Kwang, Patrick; and the independent non-executive directors of the Company are Mr. Chan Soo Sen, Dr. Xu Wei Dong and Mr. Tong Din Eu.