



Midas International Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1172



Interim Report
2006

RESULTS

The Board of Directors (the "Directors") of Midas International Holdings Limited (the "Company") announces that the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30th June, 2006 together with the comparative figures for the previous period are as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30TH JUNE, 2006

		For the six months ended 30th June,	
	NOTES	2006 HK\$'000 (unaudited)	2005 HK\$'000 (unaudited)
Turnover	3	299,489	351,868
Direct expenses		(217,222)	(249,625)
Gross profit		82,267	102,243
Other income	4	6,504	10,687
Selling expenses		(9,793)	(14,649)
Administrative and operating expenses		(66,933)	(69,962)
Finance costs		(3,516)	(3,481)
Profit before taxation	5	8,529	24,838
Income tax expense	6	(2,355)	(6,559)
Profit for the period		6,174	18,279
Attributable to:			
Ordinary shareholders of the Company		6,174	18,680
Minority shareholder		–	(401)
		6,174	18,279
Dividends to ordinary shareholders of the Company	7	17,632	17,632
Basic earnings per share	8	HK1.2 cents	HK3.5 cents

CONDENSED CONSOLIDATED BALANCE SHEET

AT 30TH JUNE, 2006

	NOTES	30th June, 2006 HK\$'000 (unaudited)	31st December, 2005 HK\$'000 (audited)
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties	9	163,970	163,970
Property, plant and equipment	9	233,927	234,416
Prepaid lease payments		8,477	8,590
Contractual reimbursement from related companies		21,019	21,019
Deposits paid for acquisition of property, plant and equipment		7,502	1,578
		434,895	429,573
Current assets			
Inventories		115,071	75,163
Trade receivables	10	223,915	207,282
Deposits, prepayments and other receivables		11,514	8,464
Prepaid lease payments		229	229
Tax recoverable		2,215	1,738
Bank balances and cash		73,344	138,214
		426,288	431,090
Current liabilities			
Trade payables	11	159,206	146,931
Accrued charges and other payables		59,914	54,492
Tax payable		6,000	5,097
Borrowings	12	40,075	45,507
		265,195	252,027
Net current assets		161,093	179,063
Total assets less current liabilities		595,988	608,636

CONDENSED CONSOLIDATED BALANCE SHEET – *Continued*

AT 30TH JUNE, 2006

	NOTES	30th June, 2006 HK\$'000 (unaudited)	31st December, 2005 HK\$'000 (audited)
Non-current liabilities			
Borrowings	12	99,388	100,163
Deferred tax liabilities		27,480	27,895
		<hr/>	<hr/>
		126,868	128,058
		<hr/>	<hr/>
NET ASSETS		469,120	480,578
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Share capital		53,429	53,429
Reserves		415,691	427,149
		<hr/>	<hr/>
TOTAL EQUITY		469,120	480,578
		<hr/>	<hr/>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30TH JUNE, 2006

	Attributable to ordinary shareholders of the Company								
	Ordinary share capital	Ordinary share premium	Other reserve	Merger reserve	Translation reserve	Retained profits	Total	Minority interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1st January, 2005 (audited)	53,429	164,773	4,000	24,000	239	215,166	461,607	44,665	506,272
Profit and the total recognised income and expense for the period	-	-	-	-	-	18,680	18,680	(401)	18,279
Disposal of a subsidiary	-	-	-	-	-	-	-	(44,264)	(44,264)
Dividends	-	-	-	-	-	(17,632)	(17,632)	-	(17,632)
At 30th June, 2005 (unaudited)	53,429	164,773	4,000	24,000	239	216,214	462,655	-	462,655
Profit and the total recognised income and expense for the period	-	-	-	-	-	24,334	24,334	-	24,334
Dividends	-	-	-	-	-	(6,411)	(6,411)	-	(6,411)
At 31st December, 2005 (audited)	53,429	164,773	4,000	24,000	239	234,137	480,578	-	480,578
Profit and the total recognised income and expense for the period	-	-	-	-	-	6,174	6,174	-	6,174
Dividends	-	-	-	-	-	(17,632)	(17,632)	-	(17,632)
At 30th June, 2006 (unaudited)	53,429	164,773	4,000	24,000	239	222,679	469,120	-	469,120

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30TH JUNE, 2006

	2006 HK\$'000 (unaudited)	2005 <i>HK\$'000</i> (unaudited)
Net cash (used in) from operating activities	(15,787)	40,705
Investing activities		
Disposal of a subsidiary	–	73,025
Purchases of property, plant and equipment	(17,558)	(10,539)
Other investing activities	(4,170)	(7,647)
Net cash (used in) from investing activities	(21,728)	54,839
Financing activities		
New bank loans and import loans raised	22,475	25,000
Repayment of bank loans and import loans	(28,682)	(22,686)
Dividends paid	(17,632)	(17,632)
Other financing activities	(3,516)	(2,309)
Redemption of preference shares	–	(25,000)
Net cash used in financing activities	(27,355)	(42,627)
Net (decrease) increase in cash and cash equivalents	(64,870)	52,917
Cash and cash equivalents at 1st January	138,214	96,040
Cash and cash equivalents at 30th June	73,344	148,957



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30TH JUNE, 2006

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared under the historical cost basis except for certain investments properties, which are measured at fair value, as appropriate.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the annual financial statements of the Group for the year ended 31st December, 2005.

In the current interim period, the Group has applied, for the first time, a number of new standards, amendments and interpretations issued by the HKICPA (hereinafter collectively referred to as the "new HKFRSs"), which are either effective for accounting periods beginning on or after 1st December, 2005 or 1st January, 2006. The adoption of the new HKFRSs had no material effect on how the results for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early applied the other new HKFRSs that have been issued but are not yet effective. The Directors of the Company anticipate that the application of the other new HKFRSs will have no material impact on the results and financial position of the Group.

3. SEGMENT INFORMATION

Business segments

The Group is currently operating in two business segments, namely printing and property investment. Turnover of the Group represents net amounts received and receivable for goods sold by the Group to outside customers, less returns and allowances and property rental income during the period. Segmental information about these businesses is presented below.

Six months ended 30th June, 2006

	Printing HK\$'000	Property investment HK\$'000	Total HK\$'000
TURNOVER – external	<u>297,207</u>	<u>2,282</u>	<u>299,489</u>
SEGMENT RESULTS	<u>10,338</u>	<u>696</u>	<u>11,034</u>
Unallocated corporate income			1,631
Unallocated corporate expenses			(620)
Finance costs			<u>(3,516)</u>
Profit before taxation			<u>8,529</u>
Income tax expense			<u>(2,355)</u>
PROFIT FOR THE PERIOD			<u>6,174</u>

Six months ended 30th June, 2005

	Printing HK\$'000	Property investment HK\$'000	Total HK\$'000
TURNOVER – external	<u>340,738</u>	<u>11,130</u>	<u>351,868</u>
SEGMENT RESULTS	<u>21,843</u>	<u>6,449</u>	28,292
Unallocated corporate income			778
Unallocated corporate expenses			(751)
Finance costs			<u>(3,481)</u>
Profit before taxation			24,838
Income tax expense			<u>(6,559)</u>
PROFIT FOR THE PERIOD			<u>18,279</u>

4. OTHER INCOME

	For the six months ended 30th June,	
	2006 HK\$'000	2005 HK\$'000
Gain on disposal of a subsidiary	-	5,828
Income from sale of scrap	3,824	3,147
Interest income	1,631	778
Sundry income	1,049	934
	<u>6,504</u>	<u>10,687</u>

5. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging:

	For the six months ended 30th June,	
	2006 HK\$'000	2005 HK\$'000
Cost of inventories recognised as an expense	216,273	246,127
Depreciation	17,924	17,613

6. INCOME TAX EXPENSE

	For the six months ended 30th June,	
	2006 HK\$'000	2005 HK\$'000
The charge comprises:		
Hong Kong Profits Tax	2,394	1,945
The People's Republic of China (the "PRC") enterprise income tax	376	4,969
Deferred tax	(415)	(355)
	<u>2,355</u>	<u>6,559</u>

Hong Kong Profits Tax is calculated at 17.5% of the estimated assessable profits for the six months ended 30th June, 2005 and 2006.

PRC enterprise income tax is calculated at the applicable rates relevant to the PRC subsidiaries.

7. DIVIDENDS TO ORDINARY SHAREHOLDERS OF THE COMPANY

	For the six months ended 30th June,	
	2006 HK\$'000	2005 HK\$'000
2004 final dividend of HK3.3 cents per share paid to ordinary shareholders	–	17,632
2005 final dividend of HK3.3 cents per share paid to ordinary shareholders	17,632	–
	17,632	17,632

The interim dividend of HK1.2 cents (2005: HK1.2 cents) per share will be paid to the ordinary shareholders of the Company whose names appear on the register of members on 13th October, 2006.

8. BASIC EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the ordinary shareholders of the Company is based on the profit for the period attributable to ordinary shareholders of the Company of HK\$6,174,000 (2005: HK\$18,680,000) and on 534,290,068 (2005: 534,290,068) ordinary shares in issue during the period.

Diluted earnings per share are not presented as there were no potential ordinary shares in existence for both periods.

9. MOVEMENTS IN INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

The investment properties of the Group are held for rental purposes under operating leases and were revalued at 31st December, 2005 on an open market value basis by DTZ Debenham Tie Leung Limited, a firm of independent professional valuers. At 30th June, 2006, the Directors have considered that the carrying amount of the Group's investment properties carried at fair values and estimated that the carrying amounts do not differ significantly from the professional valuation made as at 31st December, 2005. Consequently, no fair value adjustment has been recognised in the current period.

During the six months ended 30th June, 2006, the Group acquired property, plant and equipment at a cost of approximately HK\$17,558,000 (2005: HK\$10,539,000).

10. TRADE RECEIVABLES

The Group has a policy of allowing credit periods ranging from 30 days to 180 days to its trade customers. The aged analysis of trade receivables prepared on the basis of sales invoice date is stated as follows:

	30th June, 2006 HK\$'000	31st December, 2005 HK\$'000
0 to 30 days	73,147	54,624
31 to 60 days	60,100	35,836
61 to 90 days	31,554	45,783
91 to 120 days	33,840	29,994
121 to 180 days	16,915	37,658
More than 180 days	12,422	7,658
	227,978	211,553
Less: Impairment losses on trade receivables	(4,063)	(4,271)
	223,915	207,282

11. TRADE PAYABLES

The aged analysis of trade payables prepared on the basis of supplier invoice date is stated as follows:

	30th June, 2006 HK\$'000	31st December, 2005 HK\$'000
0 to 30 days	72,517	28,327
31 to 60 days	40,490	29,842
61 to 90 days	24,611	24,655
91 to 120 days	11,375	15,730
More than 120 days	10,213	48,377
	159,206	146,931

12. BORROWINGS

During the period, the Group obtained new bank and import loans in the amount of approximately HK\$22,475,000 (2005: HK\$25,000,000) and made repayment of approximately HK\$28,682,000 (2005: HK\$22,686,000). The new loans bear interest ranged from 4.95% to 6.12% and are repayable in one to five years.

13. CAPITAL COMMITMENTS

At 30th June, 2006, the Group had commitments of approximately HK\$4,132,000 (31st December, 2005: HK\$18,171,000) for capital expenditure contracted for but not provided in the financial statements in respect of the acquisition of property, plant and equipment.

14. PLEDGE OF ASSETS

At the balance sheet date, certain assets of the Group with the following carrying values were pledged to secure borrowings granted to the Group:

	30th June, 2006 HK\$'000	31st December, 2005 HK\$'000
Leasehold buildings	-	22,768
Prepaid lease payments	-	4,210
	<hr/>	<hr/>
	-	26,978
	<hr/>	<hr/>

15. CONNECTED AND RELATED PARTY TRANSACTIONS

During the period ended 30th June, 2006, the Group entered into the following material transactions with connected and related parties:

- (a) Property rental income amounting to approximately HK\$497,000 (Six months ended 30th June, 2005: HK\$515,000) was received from Yuen Sang Hardware Company (1988) Limited, a wholly owned subsidiary of Chuang's China Investments Limited ("Chuang's China"). Chuang's China is a substantial shareholder of and has significant influence over the Company. One of the Directors of the Company is also a director of Chuang's China. The rental income received by the Group was in accordance with the relevant agreement.
- (b) Building management fee amounting to approximately HK\$401,000 (Six months ended 30th June, 2005: HK\$401,000) was paid to Chuang's Development (China) Limited, a wholly owned subsidiary of Chuang's China. The transaction was carried out in accordance with the terms agreed by both parties.
- (c) The remuneration of Directors and other members of key management during the period was as follows:

	For the six months ended 30th June,	
	2006 HK\$'000	2005 HK\$'000
Short-term benefits	2,653	2,615
Post employment benefits	71	68
	<hr/>	<hr/>
	2,724	2,683
	<hr/>	<hr/>



INTERIM DIVIDEND

The Directors have declared an interim dividend of HK1.2 cents (2005: HK1.2 cents) per ordinary share payable on or before 23rd October, 2006 to ordinary shareholders whose names appear on the Company's register of members on 13th October, 2006.

MANAGEMENT DISCUSSION ON RESULTS

The first half of 2006 was an extremely difficult and challenging period for the Group. On the sales aspects, the industry suffered a severe competition and pricing pressure and coupled with a significant drop in the export sales to one of our major customers in Europe, turnover of the Group during the period dropped by 15% to HK\$299 million from HK\$352 million in the last corresponding period.

On the operational costs aspects, material prices, especially paper costs, are still rising. Energy costs maintain at a high level, which resulted in higher production and transportation costs. At the same time, the continuous appreciation of RMB and rises in minimum wages of labour in the southern part of China had an adverse impact on the Group's overall margin. The negative effects of these factors had dampened the Group's gross profit for the period, resulting in the fall in gross profit margin from 29% to 27% and gross profit decreased by 20% to HK\$82 million (2005: HK\$102 million).

Other income during the period decreased by HK\$4 million due to a profit of HK\$6 million on disposal of property interests in the PRC was recorded in the last corresponding period.

Despite the pressure from the increase in direct expenses mentioned above, the Group was able to implement effective cost control measures in selling, administrative and operating expenses to cope with the competitive operating environment. Cost savings were achieved by stringent cost control in different levels and effective reduction in overhead expenses. As a result, selling expenses reduced by 33% to HK\$10 million and administrative and operating expenses reduced by 4% to HK\$67 million as compared to those of last corresponding period.

Taking into account the above, profit before taxation during the period was adversely affected and amounted to HK\$9 million (2005: HK\$25 million) and net profit attributable to ordinary shareholders of the Company for the period amounted to HK\$6 million (2005: HK\$19 million). EBITDA for the six months ended 30th June, 2006 amounted to HK\$28 million.



BUSINESS REVIEW

(a) Printing Division

The core printing business of the Group comprised book printing and paper product printing. Book printing business focused mainly on multinational publishers and conglomerates in the USA, Europe, Australia and New Zealand. Paper product printing business concentrated on a comprehensive range of products including packaging products, commercial printing, premium gift products, greeting cards, stationery items and paper bags. In order to widen its product mix in both OEM and ODM items, the Group continues to invest in innovative product development as well as improvement in both production quality and capability. As part of the business development plan, the Group will also expand its overseas sales presence in the USA and Europe and the China sales divisions.

The printing production is carried out in the plants in Huizhou and Dongguan, the PRC. The plants are well equipped with 28 printing presses and auxiliary binding facilities and provide strong printing support to various products. The Group has reviewed the existing production facilities and expected that the current production capacities are sufficient to fulfill existing printing demand. Therefore, it is anticipated that there will be no material capital investment on printing capacity in the coming year.

(b) Property Division

The Group's property interest comprised Chuang's Garden, Lambda Building and Yuen Sang Building in Huiyang, Guangdong, the PRC, and 6th floor of Chengdu Chuang's Centre in Chengdu, Sichuan, the PRC, with a total gross floor area of 731,700 sq.ft.. During the period under review, rental income amounted to HK\$2.3 million.

LIQUIDITY AND FINANCIAL POSITIONS

As at 30th June, 2006, the Group's bank balances and cash amounted to HK\$73 million while bank borrowings amounted to HK\$139 million, of which HK\$99 million are due from the second to fifth year. The Group's net bank borrowings amounted to HK\$66 million and its net borrowings to equity ratio (being bank borrowings less bank balances and cash as a ratio to total equity) is 14%. Most of the Group's bank balances and borrowings were denominated in Hong Kong dollars, U.S. dollars and Renminbi, risk in exchange rate fluctuation would not be material. Interest on bank borrowings was charged at variable commercial rates prevailing in Hong Kong and the PRC.

PROSPECTS

The trading environment for the second half of 2006 will continue to be difficult and challenging, nevertheless, with our commitments to provide quality and professional printing solutions to its customers, the Group is confident to tackle the challenges ahead and will implement appropriate strategies so as to minimize the impact of those negative factors against the Group. In the future, the Group will also explore more business opportunities so as to broaden its income stream.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30th June, 2006, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which have been notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Directors and chief executive of the Company would be taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of Part XV of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), to be notified to the Company and the Stock Exchange were as follows:-

Name of Director	Number of ordinary shares of the Company held	Capacity	Nature of Interest	Approximate % of shareholding in the Company
Mr. SHEK Lai Him, Abraham	10,000	Beneficial owner	Personal interest	0.002%

Other than as disclosed herein, as at 30th June, 2006, none of the Directors and chief executive of the Company had any interest or short position in shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of Part XV of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS

So far as is known to the Directors or chief executive of the Company, as at 30th June, 2006, the interests and short positions of person in the shares and underlying shares of the Company which would fall to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required, pursuant to section 336 of Part XV of the SFO, to be entered in the register referred to therein were as follows:

Name of shareholder	Number of ordinary shares of the Company held	Capacity
Gold Throne Finance Limited ("Gold Throne")	238,800,000 <i>(note 1)</i>	Beneficial owner
Chuang's China	238,800,000 <i>(note 1)</i>	<i>(note 2)</i>
Profit Stability Investments Limited ("PSI")	238,800,000 <i>(note 1)</i>	<i>(note 2)</i>
Chuang's Consortium International Limited ("CCIL")	238,800,000 <i>(note 1)</i>	<i>(note 2)</i>
Chuang Shaw Swee, Alan ("Mr. Chuang")	238,800,000 <i>(note 1)</i>	<i>(note 2)</i>
Chong Ho Pik Yu	238,800,000 <i>(note 1)</i>	<i>(note 3)</i>
Value Partners Limited ("VPL")	32,020,000 <i>(note 4)</i>	Investment manager
Cheah Cheng Hye ("Mr. Cheah")	32,020,000 <i>(note 4)</i>	<i>(note 5)</i>

Notes:

- Such interests represented approximately 44.69% of the issued ordinary share capital.
- Such interests arose through the interests in the relevant shares owned by Gold Throne, a wholly owned subsidiary of Chuang's China. PSI, a wholly owned subsidiary of CCIL, is entitled to exercise or control the exercise of one third or more of the voting power in general meetings of Chuang's China. Mr. Chuang is entitled to exercise or control the exercise of one third or more of the voting power in general meetings of CCIL.
- Such interests arose by attribution through her spouse, Mr. Chuang.
- Such interests represented approximately 5.99% of the issued ordinary share capital.
- Such interests arose through the interests in the relevant shares owned by VPL, a funds management company, in which Mr. Cheah held approximately 32.77% shareholding interests in VPL.

Save as disclosed above, as at 30th June, 2006, there was no other person who was recorded in the register of the Company as having interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to section 336 of Part XV of the SFO, to be entered in the register referred to therein.



SHARE OPTION SCHEME

On 13th December, 2001, a share option scheme (the “2001 Scheme”) was adopted by the Company. The purpose of the 2001 Scheme is to recognise the contribution of the employees, including Directors of the Company and its subsidiaries (the “Eligible Persons”), to the growth of the Group and to further motivate the Eligible Persons to continue to contribute to the Group’s long term prosperity.

Under the 2001 Scheme which is valid and effective for a term of ten years from the date of its adoption, the Directors of the Company may grant options to the Eligible Persons to subscribe for ordinary shares in the Company at a price to be notified by the Directors and to be no less than the higher of: (i) the closing price of the Company’s ordinary shares as stated in the daily quotation sheet issued by the Stock Exchange on the day of offer; (ii) the average closing price of the Company’s ordinary shares as stated in the daily quotation sheets issued by the Stock Exchange for the five trading days immediately preceding the date of offer; and (iii) the nominal value of the Company’s ordinary shares. The number of ordinary shares issued and to be issued upon exercise of the options granted to any individual in any 12-month period is not permitted to exceed 1 percent of the issued ordinary share capital of the Company at any point in time, without prior approval from the Company’s shareholders. The maximum number of ordinary shares in respect of which options may be granted under the 2001 Scheme and any other share option schemes of the Company shall not exceed 30 percent of the issued ordinary share capital of the Company from time to time.


Options granted under the 2001 Scheme must be taken up within 28 days from the date of grant, upon payment of a nominal price. Options may be exercised at any time after their date of acceptance, but none of them can be exercised later than ten years from their date of acceptance.

No options have been granted under the 2001 Scheme since its adoption.

CORPORATE GOVERNANCE

The Company has complied throughout the six months ended 30th June, 2006 with the code provisions set out in the Appendix 14 – Code on Corporate Governance Practices of the Listing Rules.

The Audit Committee has been established by the Company to review and supervise the Company’s financial reporting process and internal controls. The Audit Committee has held meetings in accordance with the relevant requirements and has reviewed the results for the six months ended 30th June, 2006. The current members of the Audit Committee are three Independent Non-Executive Directors, Mr. Shek Lai Him, Abraham, Dr. Li Sau Hung, Eddy and Mr. Yau Chi Ming and a Non-Executive Director, Mr. Dominic Lai.



The Company has adopted the Model Code contained in Appendix 10 of the Listing Rules. Having made specific enquiries of all Directors of the Company, the Company received confirmations from all Directors that they have complied with the required standard set out in the Model Code.

The interim results have been reviewed by the Company's external auditors in accordance with the Statement of Auditing Standards 700 "Engagement to Review Interim Financial Report" issued by the HKICPA.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30th June, 2006, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CLOSING OF REGISTER

The register of members will be closed from Wednesday, 11th October, 2006 to Friday, 13th October, 2006, both days inclusive, during which period no transfer of shares will be effected. All transfers, accompanied by the relevant share certificates, must be lodged for registration with the Company's share registrars in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:00 p.m. on Tuesday, 10th October, 2006.

STAFF

As at 30th June, 2006, the Group, including its subcontracting processing plants, employed approximately 4,600 staff and workers, with their remuneration normally reviewed annually. The Group also provides its staff with other benefits including year-end double-pay, discretionary bonus, contributory provident fund, share options and medical insurance. Staff training is also provided as and when required.

DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

The Group had certain banking facilities with an aggregate amount of HK\$78.8 million (the "Banking Facilities") comprising a term loan, an overdraft facility, and other trade related facilities, which required Chuang's China and Mr. Chuang to remain as the combined single largest shareholder of the Company at all times during the subsistence of the Banking Facilities.



GENERAL

As at the date of this report, Mr. Ko Sheung Chi, Mr. Kwong Tin Lap, Mr. Kwok Chi Fai, Miss. Li Mee Sum, Ann, Mr. Tang Chow Ming, Paul and Mr. Wong Chi Sing are Executive Directors, Mr. Dominic Lai is a Non-Executive Director, Mr. Shek Lai Him, Abraham, Dr. Li Sau Hung, Eddy and Mr. Yau Chi Ming are Independent Non-Executive Directors of the Company.

By Order of the Board of
Midas International Holdings Limited

Ko Sheung Chi
Chairman

Hong Kong, 20th September, 2006