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MIDAS

勤達集團國際有限公司*
Midas International Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1172)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2014

The Board of Directors (the "Board") of Midas International Holdings Limited (the "Company") announces the unaudited interim results of the Company and its subsidiaries (collectively as the "Group") for the six months ended 30th September, 2014 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
For the six months ended 30th September, 2014

	Note	2014 HK$'000	2013 HK$'000
Revenues		**161,222**	186,008
Cost of sales		**(133,492)**	(143,423)
Gross profit		**27,730**	42,585
Other income and net gain	6	**41,536**	4,395
Selling and marketing expenses		**(12,649)**	(12,962)
Administrative and other operating expenses		**(39,751)**	(42,985)
Operating profit/(loss)	7	**16,866**	(8,967)
Finance costs	8	**(3,993)**	(5,713)
Profit/(loss) before taxation		**12,873**	(14,680)
Taxation (charge)/credit	9	**(2,385)**	197
Profit/(loss) for the period		**10,488**	(14,483)
Other comprehensive income:			
Item that may be reclassified subsequently to profit and loss			
Net exchange differences		**3,559**	1,990
Realization of exchange reserve upon disposal of subsidiaries		**(180)**	–
Total comprehensive income/(loss) for the period		**13,867**	(12,493)
Profit/(loss) for the period attributable to:			
Equity holders of the Company		**10,746**	(14,288)
Non-controlling interests		**(258)**	(195)
		10,488	(14,483)
Total comprehensive income/(loss) for the period attributable to:			
Equity holders of the Company		**13,573**	(12,769)
Non-controlling interests		**294**	276
Total comprehensive income/(loss) for the period		**13,867**	(12,493)
		HK cent	*HK cent* (restated)
Earnings/(loss) per share (basic and diluted)	11	**0.4**	(0.6)

* *For identification purpose only*

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
As at 30th September, 2014

	Note	**30th September, 2014** **HK$'000**	31st March, 2014 HK$'000
Non-current assets			
Prepaid lease payments		**8,987**	9,448
Property, plant and equipment		**74,337**	80,854
Cemetery assets		**521,005**	513,710
		604,329	604,012
Current assets			
Inventories	*12*	**39,237**	44,809
Cemetery assets		**81,712**	83,001
Accounts receivable	*13*	**101,620**	72,662
Deposits, prepayments and other receivables		**14,718**	12,374
Pledged bank balances		**15,000**	25,000
Cash and bank balances		**13,922**	60,823
		266,209	298,669
Assets of disposal group classified as held for sale	*14*	**–**	48,354
		266,209	347,023
Current liabilities			
Accounts payable	*15*	**56,948**	46,973
Accrued charges and other payables		**36,610**	42,176
Amount due to a non-controlling shareholder		**1,366**	1,366
Tax payable		**10,088**	7,340
Bank borrowings		**55,063**	44,995
Convertible notes		**–**	109,176
		160,075	252,026
Net current assets		**106,134**	94,997
Total assets less current liabilities		**710,463**	699,009
Equity			
Share capital		**220,721**	220,721
Reserves		**257,935**	244,362
Shareholders' funds		**478,656**	465,083
Non-controlling interests		**69,640**	69,346
Total equity		**548,296**	534,429
Non-current liabilities			
Bank borrowings		**20,160**	23,750
Deferred income		**2,084**	1,791
Deferred taxation liabilities		**139,923**	139,039
		162,167	164,580
		710,463	699,009

Notes:

1. GENERAL INFORMATION

Midas International Holdings Limited (the "Company") is a limited liability company incorporated in Cayman Islands and listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business in Hong Kong is 25th Floor, Alexandra House, 18 Chater Road, Central.

As at 30th September, 2014, the Company was a 60.8% owned subsidiary of Gold Throne Finance Limited, a company incorporated in the British Virgin Islands, which is a wholly-owned subsidiary of Chuang's Consortium International Limited ("CCIL"), a limited liability company incorporated in Bermuda and listed on the Main Board of the Stock Exchange. The Directors regard CCIL as the ultimate holding company.

The principal activities of the Company and its subsidiaries (collectively as the "Group") are manufacturing and trading of printed products, and development and operation of cemetery.

2. BASIS OF PREPARATION

The condensed interim financial information has been prepared under the historical cost convention, and in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The condensed interim financial information should be read in conjunction with the annual financial statements of the Group for the year ended 31st March, 2014 which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The accounting policies and methods of computation used in the preparation of the condensed interim financial information are consistent with those used in the annual financial statements for the year ended 31st March, 2014.

The adoption of revised HKFRSs

For the six months ended 30th September, 2014, the Group adopted the following amendments to standards that are effective for the accounting periods beginning on or after 1st April, 2014 and relevant to the operations of the Group:

HKAS 32 (Amendment)	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
HKAS 36 (Amendment)	Impairment of Assets – Recoverable Amount Disclosures for Non-financial Assets
HKAS 39 (Amendment)	Novation of Derivatives and Continuation of Hedge Accounting
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities

The Group has assessed the impact of the adoption of these amendments to standards and considered that there was no significant impact on the Group's results and financial position nor any substantial changes in the Group's accounting policies and presentation of the condensed interim financial information.

New standards and amendments to standards that are not yet effective

The following new standards and amendments to standards have been published which are relevant to the Group's operation and are mandatory for the Group's accounting periods beginning on or after 1st April, 2015, but have not yet been early adopted by the Group:

HKAS 16 (Amendment) and HKAS 38 (Amendment)	Property, Plant and Equipment and Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortization (effective from 1st January, 2016)
HKAS 19 (Amendment)	Defined Benefit Plans – Employee Contributions (effective from 1st July, 2014)
HKFRS 9	Financial Instruments (to be determined)
HKFRS 15	Revenue from Contracts with Customers (effective from 1st January, 2017)
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2010–2012 Cycle (effective from 1st July, 2014)
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2011–2013 Cycle (effective from 1st July, 2014)

The Group will adopt the above new standards and amendments to standards as and when they become effective. The Group has already commenced the assessment of the impact to the Group and is not yet in a position to state whether these would have a significant impact on its results of operations and financial position.

3. FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

The activities of the Group expose it to a variety of financial risks including credit risk, liquidity risk, cash flow and fair value interest rate risk and foreign exchange risk. The condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and it should be read in conjunction with the annual financial statements for the year ended 31st March, 2014. There has been no material change in the Group's financial risk management policies since the year ended 31st March, 2014.

(b) Liquidity risk

Compared to the year ended 31st March, 2014, there was no material change in the contractual undiscounted cash flows for financial liabilities.

(c) Fair value estimation

The fair values of financial instruments traded in active markets are based on quoted market prices at the balance sheet date, whereas the fair values of other financials assets and financial liabilities are determined in accordance with the generally accepted pricing models based on discounted cash flow analysis.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortized cost in the interim financial information approximate their fair values.

During the six months ended 30th September, 2014, there was no significant change in the business or economic circumstances that affect the fair value of the Group's financial assets and financial liabilities. The Group had no level 3 financial instruments as at 30th September, 2014. There was no transfer of financial assets or financial liabilities between the level 1 and level 2 in the hierarchy and no reclassifications of financial assets.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments used in preparing the condensed interim financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions applied in the preparation of the condensed interim financial information are consistent with those used in the annual financial statements for the year ended 31st March, 2014.

5. SEGMENT INFORMATION

(a) Segment information by business lines

The chief operating decision maker (the "CODM") has been identified as the Executive Directors and senior management. The CODM reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The CODM considers the business from a business perspective, including printing, cemetery and corporate operations. The CODM assesses the performance of the operating segments based on a measure of segment result.

The segment information by business lines is as follows:

	Printing *HK$'000*	Cemetery *HK$'000*	Corporate *HK$'000*	Total *HK$'000*
2014				
Revenues	**156,011**	**5,211**	**–**	**161,222**
Other income and net gain	**31,062**	**10,191**	**283**	**41,536**
Operating profit/(loss)	**11,648**	**7,846**	**(2,628)**	**16,866**
Finance (costs)/income	**(1,900)**	**177**	**(2,270)**	**(3,993)**
Profit/(loss) before taxation	**9,748**	**8,023**	**(4,898)**	**12,873**
Taxation (charge)/credit	**(6,300)**	**3,915**	**–**	**(2,385)**
Profit/(loss) for the period	**3,448**	**11,938**	**(4,898)**	**10,488**
As at 30th September, 2014				
Total assets	**218,549**	**622,735**	**29,254**	**870,538**
Total liabilities	**99,091**	**147,928**	**75,223**	**322,242**
2014				
Other segment items are as follows:				
Capital expenditure	**3,109**	**3,135**	**–**	**6,244**
Gain on disposal of subsidiaries	**29,368**	**–**	**–**	**29,368**
Write-back of provision for expenses undertaking	**–**	**10,224**	**–**	**10,224**
Depreciation	**9,706**	**322**	**–**	**10,028**
Amortization of prepaid lease payments	**114**	**37**	**–**	**151**
Provision for impairment of accounts receivable	**–**	**528**	**–**	**528**
Provision for impairment of inventories	**558**	**–**	**–**	**558**

	Printing	Cemetery	Corporate	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
2013				
Revenues	180,479	5,529	–	186,008
Other income and net gain	4,311	(29)	113	4,395
Operating loss	(5,490)	(1,181)	(2,296)	(8,967)
Finance costs	(2,407)	(220)	(3,086)	(5,713)
Loss before taxation	(7,897)	(1,401)	(5,382)	(14,680)
Taxation (credit)/charge	(186)	383	–	197
Loss for the period	(8,083)	(1,018)	(5,382)	(14,483)
As at 31st March, 2014				
Total assets	248,211	617,001	85,823	951,035
Total liabilities	78,395	160,290	177,921	416,606
2013				
Other segment items are as follows:				
Capital expenditure	5,985	3,723	–	9,708
Depreciation	11,112	346	–	11,458
Amortization of prepaid lease payments	700	37	–	737
Provision for impairment of accounts receivable	158	–	–	158
Reversal of provision for impairment of accounts receivable	919	–	–	919
Reversal of provision for impairment of inventories	339	–	–	339

(b) Geographical segment information

The business of the Group operates in different geographical areas. Revenues are presented by the countries where customers are located. Non-current assets, total assets and capital expenditure are presented by countries where the assets are located. The segment information by geographical area is as follows:

	Revenues		**Capital expenditure**	
	2014	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**13,422**	7,868	**547**	159
The People's Republic of China (the "PRC")	**6,016**	6,429	**5,697**	9,549
United States of America	**52,748**	65,475	**–**	–
United Kingdom	**28,919**	41,102	**–**	–
Germany	**22,064**	24,114	**–**	–
France	**17,640**	16,506	**–**	–
Other countries	**20,413**	24,514	**–**	–
	161,222	186,008	**6,244**	9,708

	Non-current assets		**Total assets**	
	30th September, 2014	31st March, 2014	**30th September, 2014**	31st March, 2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**1,569**	1,281	**120,494**	148,811
The PRC	**602,760**	602,731	**750,044**	802,224
	604,329	604,012	**870,538**	951,035

6. OTHER INCOME AND NET GAIN

	2014	2013
	HK$'000	*HK$'000*
Interest income from bank deposits	**283**	112
Sales of scraped materials	**1,680**	2,637
Reversal of provision for impairment of accounts receivable	**–**	919
Gain on disposal of property, plant and equipment	**1,381**	–
Loss on disposal of prepaid lease payment	**(333)**	–
Gain on disposal of subsidiaries *(note 14)*	**29,368**	–
Net exchange loss	**(1,432)**	(243)
Write-back of provision for expenses undertaking *(note)*	**10,224**	–
Sundries	**365**	970
	41,536	4,395

Note: The write-back of provision for expenses undertaking was related to the disposal of certain subsidiaries by the Group in September 2007 as the respective undertaking expired in September 2014.

7. OPERATING PROFIT/(LOSS)

	2014 HK$'000	2013 HK$'000
Operating profit/(loss) is stated after charging/(crediting):		
Cost of inventories sold	**89,132**	97,274
Depreciation	**10,028**	11,458
Amortization of prepaid lease payments	**151**	737
Provision for/(reversal of) provision for impairment of inventories	**558**	(339)
Provision for impairment of accounts receivable	**528**	158
Staff costs, including Directors' emoluments		
Wages and salaries	**55,275**	56,734
Retirement benefit costs	**540**	683

8. FINANCE COSTS

	2014 HK$'000	2013 HK$'000
Interest expenses		
Bank borrowings wholly repayable within five years	**1,900**	2,408
Convertible notes wholly repayable within five years	**4,958**	6,806
	6,858	9,214
Fair value adjustment of accounts receivable	**(177)**	220
Amount capitalized into cemetery assets	**(2,688)**	(3,721)
	3,993	5,713

The above analysis shows the finance costs in accordance with the agreed scheduled repayment dates set out in the agreements. The capitalized effective rate for cemetery assets is 14.86% (2013: 14.86%) per annum.

9. TAXATION (CHARGE)/CREDIT

	2014 HK$'000	2013 HK$'000
Current income tax		
PRC corporate income tax	**–**	(346)
PRC withholding tax *(note 14)*	**(6,300)**	–
Over-provision in prior periods	**–**	160
Write-back of provision in prior periods	**3,552**	–
Deferred taxation	**363**	383
	(2,385)	197

No provision for Hong Kong profits tax has been provided as the Group had sufficient tax losses to offset the estimated assessable profit for the period ended 30th September, 2014 (2013: nil). PRC corporate income tax has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the PRC.

The write-back of provision for the six months ended 30th September, 2014 represented a write-back of provision for a PRC corporate income tax undertaking in relation to the disposal of certain subsidiaries by the Group in September 2007 as the respective undertaking expired in September 2014.

10. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30th September, 2014 (2013: nil).

11. EARNINGS/(LOSS) PER SHARE

The calculation of the earnings/(loss) per share is based on the profit attributable to equity holders of HK$10,746,000 (2013: loss attributable to equity holders of HK$14,288,000) and the weighted average number of 2,461,866,000 (2013: 2,461,866,000, restated) shares in issue during the period. The weighted average number of shares used in the calculation of earnings/(loss) per share have been adjusted for the bonus element of the rights issue following the completion of the rights issue on 6th November, 2014 (see also Note 18) and the prior period comparative had also been restated for such effect.

The potential ordinary shares attributable to the assumed conversion of convertible notes have anti-dilutive effect for each of the six months ended 30th September, 2014 and 2013.

12. INVENTORIES

	30th September, 2014 *HK$'000*	31st March, 2014 *HK$'000*
Raw materials	**17,132**	21,142
Work in progress	**8,680**	12,840
Finished goods	**13,425**	10,827
	39,237	44,809

13. ACCOUNTS RECEIVABLE

The Group allows a credit period ranging from 30 days to 180 days to its trade customers of the printing business. Sales proceeds receivable from cemetery operation are settled in accordance with the terms of respective contracts. The aging analysis of the accounts receivable based on date of invoice and net of provision for doubtful debt is as follows:

	30th September, 2014 *HK$'000*	31st March, 2014 *HK$'000*
Below 30 days	**34,373**	27,702
31 to 60 days	**27,081**	7,706
61 to 90 days	**18,844**	18,891
Over 90 days	**21,322**	18,363
	101,620	72,662

14. ASSETS OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

	30th September, 2014 HK$'000	31st March, 2014 HK$'000
Prepaid lease payments	–	34,779
Property, plant and equipment	–	5,481
Cash and bank balances	–	8,094
	–	48,354

On 14th May, 2014, a wholly-owned subsidiary of the Group entered into an agreement with an independent third party to dispose of its investments in Success Gain Investment Limited and Dongguan Da Hua Printing Company Limited, wholly-owned subsidiaries of the Group, at a consideration of approximately HK$78.2 million. All the related assets had been reclassified as "assets of disposal group classified as held for sale" as at 31st March, 2014. The transaction was completed during the period ended 30th September, 2014. A gain on disposal of subsidiaries and the related PRC withholding tax were recorded in "Other income and net gain" and "Taxation (charge)/credit" respectively (see also Notes 6 and 9).

15. ACCOUNTS PAYABLE

The following is an aging analysis of accounts payable presented based on the date of suppliers' invoice.

	30th September, 2014 HK$'000	31st March, 2014 HK$'000
Below 30 days	**21,534**	14,854
31 to 60 days	**9,865**	13,052
Over 60 days	**25,549**	19,067
	56,948	46,973

16. CAPITAL COMMITMENTS

As at 30th September, 2014, the Group had capital expenditure commitments contracted but not provided for in respect of property, plant and equipment amounting to HK$194,000 (31st March, 2014: HK$1,491,000).

17. PLEDGE OF ASSETS

As at 30th September, 2014, the Group had pledged certain assets including prepaid lease payments, property, plant and equipment and bank deposits, with an aggregate carrying value of HK$57,322,000 (31st March, 2014: HK$56,421,000), to secure banking facilities granted to the Group.

18. EVENT AFTER THE REPORTING PERIOD

On 2nd September, 2014, the Company announced the proposal to raise approximately HK$110.4 million, before expenses, by way of a rights issue of 1,103,604,139 shares at a subscription price of HK$0.10 per rights share on the basis of one rights share for every two ordinary shares. The rights issue was subsequently completed on 6th November, 2014.

MANAGEMENT DISCUSSION ON RESULTS FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2014

The principal activities of the Group were printing business and property business. Printing business comprised of manufacture and sale of printed products including art books, packaging box and children's books while property business focused on the operation of cemetery in the People's Republic of China (the "PRC").

For the six months ended 30th September, 2014, revenues of the Group amounted to HK$161.2 million (2013: HK$186.0 million), representing a decrease of 13.3% compared to that of the last period mainly due to a decrease in printing product sales. Revenues of the Group comprised income from printing business of HK$156.0 million (2013: HK$180.5 million) and income from cemetery business of HK$5.2 million (2013: HK$5.5 million).

As a result of the decrease in revenues generated from the sales of printing products, gross profit of the Group during the period decreased to HK$27.7 million (2013: HK$42.6 million). Other income and net gain increased to HK$41.5 million (2013: HK$4.4 million). This was mainly due to a gain arising from the disposal of subsidiaries (details of which were set out in the announcement of the Company dated 14th May, 2014) and a gain arising from the write-back of provision of certain expenses undertaking in relation to the disposal of certain property holding subsidiaries in September 2007 as the undertaking had expired in September 2014. A detailed breakdown is shown in note 6 on page 7 of this report.

On the costs side, selling and marketing expenses decreased slightly to HK$12.6 million (2013: HK$13.0 million). Administrative and other operating expenses decreased to HK$39.8 million (2013: HK$43.0 million) as a result of effective costs control by the Group. In August 2014, the Group repaid all outstanding convertible notes upon maturity, therefore the finance costs decreased to HK$4.0 million (2013: HK$5.7 million). Taxation charge amounted to HK$2.4 million (2013: taxation credit of HK$0.2 million) mainly due to the PRC withholding tax payable arising from the disposal of subsidiaries.

Taking all the above into account, profit attributable to equity holders of the Company for the six months ended 30th September, 2014 amounted to HK$10.7 million (2013: loss of HK$14.3 million). Earnings per share amounted to 0.4 HK cent (2013: loss per share of 0.6 HK cent).

DIVIDENDS

The Board has decided not to recommend the payment of an interim dividend for the period (2013: nil).

BUSINESS REVIEW

(A) Printing Business

The uncertain global economic environment continued to dampen the printing demand for multinational publishers. This affected customers' purchasing sentiment, causing some of them to shift to orders with smaller quantities and shorter lead time. This unsteady order trend, along with intensified market competition, dampened the printing revenue of the Group. As a result, during the period under review, the Group recorded a decrease of sales of 13.6% in the printing division.

In the cost aspect, labour and operating costs continued to rise in the southern China region. In order to mitigate the cost pressure, the Group continued to search for materials with lower costs and reinforce the system for lean manufacturing so as to streamline the production process.

Taking into account the anticipated printing demand, the Group considered that the current production facilities at Boluo, Huizhou is sufficient for the requirement of the Group in the coming years. In order to maximize the value to the shareholders, the Group disposed of the subsidiaries that held the industrial land located at Coastal Industry Zone in Shatian, Dongguan in May 2014 for a consideration of HK$78.2 million. The net proceeds from this disposal were applied as general working capital of the Group.

The Group's another factory premise is located at the city centre of Changan, Dongguan. Its surrounding area is well developed and occupied by premium residential and commercial buildings. In view of its premium location, the local government is considering to rezone and develop the nearby area into an integrated commercial and residential district. Once the final rezoning decision from the local government is obtained, the Group will explore alternative usage plans, including redevelopment or disposal of this property. In the meantime, the Group has obtained expansion of the business scope of the land owner to include warehouse operations and will consider to lease out wholly or partially this property in the short run in order to enhance income to the Group. The site area at Changan is about 19,000 sq. m. and the buildings have a total gross floor area of about 39,000 sq. m.. As at 30th September, 2014, net book value of this property was about HK$13.8 million.

(B) Property Business – Cemetery Operations

The Group operates a cemetery – "Fortune Wealth Memorial Park" in Sihui, Guangdong which comprises a site of 518 mu, of which 100 mu have commenced development and an adjacent site of 4,482 mu, which has been reserved, making up a total of 5,000 mu.

During the period under review, local government has approved to establish a martyr memorial cemetery within the 100 mu of land for commemorating martyrs. Construction work of the martyr memorial cemetery commenced in July 2014 and is expected to be completed in early 2015. The Group believes that this martyr memorial cemetery can enhance customer awareness and improve sales of the cemetery in the long run.

In the development aspect, the Group has completed an additional 1,042 grave plots, and is in the process of constructing a further of 711 grave plots, on the 100 mu of land located near the entrance of the cemetery. In order to enhance the value of the cemetery, the Group continues to investigate into various proposals so as to increase the number of grave plots for sales within this area. Furthermore, in anticipation of the growing demand of grave plots, the Group is now in negotiation with the local government with a view to expand the cemetery by phases.

PROSPECTS

In November 2014, the Group raised HK$107.4 million, after expenses, by way of the rights issue which further strengthened the working capital position of the Group. With sufficient working capital support, the Group is capable to keep a higher level of indent paper stock so as to fulfill the tight delivery schedules of the customers. Furthermore, by purchasing indent paper in bulk, the Group can earn extra discount from paper suppliers. With enriched cash resources, the Group will also be able to source alternatives for production materials from new suppliers at lower cost. The Group believes that by implementing all these measures, the Group can further improve its price competitiveness and will be in a better position to secure more orders from customers.

As majority of the customers of the cemetery are from cities located nearby the cemetery in Pearl River Delta, improvements in infrastructure in these areas are important to the development of the cemetery. In this respect, the Group noted that certain major infrastructural development projects, such as 廣佛肇城際軌道系統, 港珠澳大橋 and 廣深港客運鐵路, are currently in progress and are expected to be completed in the coming years. Accordingly, the Group believes that, with the completion of such infrastructural development projects, the accessibility and marketability of the cemetery would be enhanced in the long run.

LIQUIDITY AND FINANCIAL POSITION

As at 30th September, 2014, cash and bank balances (including pledged bank balances) of the Group amounted to HK$28.9 million (31st March, 2014: HK$85.8 million) whereas bank borrowings as at the same date amounted to HK$75.2 million (31st March, 2014: HK$68.7 million). The debt to equity ratio (calculated as a percentage of bank borrowings over net asset value attributable to equity holders of the Group) amounted to 15.7% (31st March, 2014: 14.8%). Most of the Group's cash, bank balances and bank borrowings were denominated in Hong Kong dollars and Renminbi. Interest on bank borrowings was charged at variable commercial rates prevailing in Hong Kong and the PRC.

In August 2014, the Group repaid the entire outstanding principal amount of the convertible notes of the Company amounted to HK$113.0 million.

In November 2014, the Company raised HK$107.4 million, after expenses, by way of the rights issue of 1,103,604,139 rights shares at the subscription price of HK$0.1 per rights share on the basis of one rights share for two ordinary shares. The net proceeds will be applied as working capital for the printing operation and to reduce the bank borrowings of the Group.

Net asset value attributable to equity holders of the Company as at 30th September, 2014 amounted to HK$478.7 million, equivalent to about HK$0.217 per share.

CORPORATE GOVERNANCE

As Mr. Richard Hung Ting Ho took up both roles as the Chairman and the Chief Executive Officer, being the Chairman and Managing Director of the Company, the roles of the chairman and the chief executive officer are not separated pursuant to Code A.2.1 of the code provisions set out in Appendix 14 – Corporate Governance Code (the "CG Code") of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Board considers that this structure has the advantage of a strong and consistent leadership which is conducive to making and implementing decisions efficiently and consistently. Due to other commitments, an Independent Non-Executive Director had not attended 2014 annual general meeting of the Company as required by Code A.6.7 of the CG Code. Except as mentioned hereof, the Company has complied throughout the six months ended 30th September, 2014 with the code provisions set out in the CG Code.

The Audit Committee has been established by the Company to review and supervise the Company's financial reporting process and internal controls and review the relationship with the auditor. The Audit Committee has held meetings in accordance with the relevant requirements. The Group's unaudited interim results for the period ended 30th September, 2014 have been reviewed by the Audit Committee of the Company and by the Company's independent auditor in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. The current members of the Audit Committee are three Independent Non-Executive Directors, Mr. Abraham Shek Lai Him, Dr. Eddy Li Sau Hung and Mr. Yau Chi Ming and a Non-Executive Director, Mr. Dominic Lai.

The Company has adopted the Model Code for Securities Transactions by the Directors of Listed Issuer (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.

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

During the six months ended 30th September, 2014, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

STAFF

As at 30th September, 2014, the Group, including its subcontracting processing plants, employed approximately 1,575 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.

PUBLICATION OF INTERIM RESULTS ON THE STOCK EXCHANGE'S WEBSITE

The interim report of the Company for the six months ended 30th September, 2014 containing all applicable information required by Paragraph 46 of Appendix 16 of the Listing Rules will be published on the Stock Exchange's website in due course.

By order of the Board of
Midas International Holdings Limited
Richard Hung Ting Ho
Chairman and Managing Director

Hong Kong, 24th November, 2014

As at the date of this announcement, Mr. Richard Hung Ting Ho, Mr. Geoffrey Chuang Ka Kam and Miss Candy Chuang Ka Wai are the Executive Directors, Mr. Dominic Lai is a Non-Executive Director, Mr. Abraham Shek Lai Him, Dr. Eddy Li Sau Hung and Mr. Yau Chi Ming are the Independent Non-Executive Directors of the Company.