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)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31ST MARCH, 2015

RESULTS

The board of Directors (the "Board") of Midas International Holdings Limited (the "Company") announces the consolidated results of the Company and its subsidiaries (collectively as the "Group") for the year ended 31st March, 2015 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31st March, 2015

	Note	**2015** ***HK$'000***	2014 *HK$'000*
Revenues		**274,582**	309,846
Cost of sales		**(231,627)**	(242,218)
Gross profit		**42,955**	67,628
Other income and net gain	*4*	**55,040**	6,715
Selling and marketing expenses		**(25,240)**	(24,426)
Administrative and other operating expenses		**(81,889)**	(82,310)
Operating loss	*5*	**(9,134)**	(32,393)
Finance costs	*6*	**(6,395)**	(11,180)
Loss before taxation		**(15,529)**	(43,573)
Taxation (charge)/credit	*7*	**(1,676)**	439
Loss for the year		**(17,205)**	(43,134)
Other comprehensive income:			
Items that may be reclassified subsequently to profit and loss			
Net exchange differences		**364**	(370)
Realization of exchange reserve upon disposal of subsidiaries		**(180)**	–
Total comprehensive loss for the year		**(17,021)**	(43,504)
Loss for the year attributable to:			
Equity holders of the Company		**(16,649)**	(42,521)
Non-controlling interests		**(556)**	(613)
		(17,205)	(43,134)
Total comprehensive loss for the year attributable to:			
Equity holders of the Company		**(16,522)**	(42,835)
Non-controlling interests		**(499)**	(669)
Total comprehensive loss for the year		**(17,021)**	(43,504)
		HK cent	*HK cents* (restated)
Loss per share (basic and diluted)	*9*	**(0.6)**	(1.7)

* *For identification purpose only*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st March, 2015

	Note	2015 HK$'000	2014 HK$'000
Non-current assets			
Prepaid lease payments		**8,816**	9,448
Property, plant and equipment		**66,102**	80,854
Cemetery assets		**517,102**	513,710
		592,020	604,012
Current assets			
Inventories	*10*	**46,720**	44,809
Cemetery assets		**82,137**	83,001
Accounts receivable	*11*	**67,368**	72,662
Deposits, prepayments and other receivables		**12,183**	12,374
Pledged bank balances		**15,000**	25,000
Cash and bank balances		**99,442**	60,823
		322,850	298,669
Assets of disposal group classified as held for sale	*12*	**–**	48,354
		322,850	347,023
Current liabilities			
Accounts payable	*13*	**46,256**	46,973
Accrued charges and other payables		**36,622**	42,176
Amount due to a non-controlling shareholder		**1,366**	1,366
Tax payable		**9,443**	7,340
Bank borrowings		**55,546**	44,995
Convertible notes		**–**	109,176
		149,233	252,026
Net current assets		**173,617**	94,997
Total assets less current liabilities		**765,637**	699,009
Equity			
Share capital		**331,081**	220,721
Reserves		**224,930**	244,362
Shareholders' funds		**556,011**	465,083
Non-controlling interests		**68,847**	69,346
Total equity		**624,858**	534,429
Non-current liabilities			
Bank borrowings		**–**	23,750
Deferred income		**2,391**	1,791
Deferred taxation liabilities		**138,388**	139,039
		140,779	164,580
		765,637	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 31st March, 2015, 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, development and operation of cemetery and information technology business.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared under the historical cost convention, and in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants.

The consolidated financial statements are prepared in accordance with the applicable requirements of the predecessor Companies Ordinance (Cap. 32) for this financial year and the comparative period.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies of the Group.

Effect of adopting amendments to standards and interpretation

For the financial year ended 31st March, 2015, the Group adopted the following amendments to standards and interpretation 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)	Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities
HK(IFRIC) - Int 21	Levies

The Group has assessed the impact of the adoption of these amendments to standards and interpretation 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 consolidated financial statements.

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 operations 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 1 (Amendment)	Presentation of Financial Statements – Disclosure Initiative (effective from 1st January, 2016)
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 (2011) (Amendment)	Employee Benefits: Defined Benefit Plans – Employee Contributions (effective from 1st July, 2014)
HKAS 27 (Amendment)	Separate Financial Statements: Equity Method in Separate Financial Statements (effective from 1st January, 2016)
HKFRS 9	Financial Instruments (effective from 1st January, 2018)
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception (effective from 1st January, 2016)
HKFRS 14	Regulatory Deferral Accounts (effective from 1st January, 2016)
HKFRS 15	Revenue from Contracts with Customers (effective from 1st January, 2017)
HKFRSs (Amendment)	Annual Improvements to HKFRSs 2010–2012 Cycle (effective from 1st July, 2014)
HKFRSs (Amendment)	Annual Improvements to HKFRSs 2011–2013 Cycle (effective from 1st July, 2014)
HKFRSs (Amendment)	Annual Improvements to HKFRSs 2012–2014 Cycle (effective from 1st January, 2016)

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.

In addition, the revised Rules Governing the Listing of Securities on the Stock Exchange on disclosure of financial information with reference to the new Hong Kong Companies Ordinance (Cap. 622) will come into operation as from the Group's first financial year ending on or after 31st March, 2016. The Group is in the process of making an assessment of expected impact of the changes. So far it has concluded that the impact is unlikely to be significant and only the presentation and the disclosure of information in the consolidated financial statements will be affected.

3. 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 others (including information technology business). 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	Cemetery	Others and corporate	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
2015				
Revenues	**262,110**	**12,472**	**–**	**274,582**
Other income and net gain	**44,064**	**10,393**	**583**	**55,040**
Operating (loss)/profit	**(10,498)**	**6,680**	**(5,316)**	**(9,134)**
Finance (costs)/income	**(4,146)**	**21**	**(2,270)**	**(6,395)**
(Loss)/profit before taxation	**(14,644)**	**6,701**	**(7,586)**	**(15,529)**
Taxation (charge)/credit	**(6,012)**	**4,336**	**–**	**(1,676)**
(Loss)/profit for the year	**(20,656)**	**11,037**	**(7,586)**	**(17,205)**
As at 31st March, 2015				
Total assets	**181,597**	**618,831**	**114,442**	**914,870**
Total liabilities	**87,187**	**147,279**	**55,546**	**290,012**
2015				
Other segment items are as follows:				
Capital expenditure	**5,153**	**5,490**	**–**	**10,643**
Gain on disposal of subsidiaries	**29,368**	**–**	**–**	**29,368**
Write-back of provision for expenses undertaking	**–**	**10,224**	**–**	**10,224**
Depreciation	**18,582**	**644**	**–**	**19,226**
Amortization of prepaid lease payments	**228**	**74**	**–**	**302**
Provision for impairment of accounts receivable	**697**	**1,066**	**–**	**1,763**
Reversal of provision for impairment of accounts receivable	**523**	**–**	**–**	**523**
Provision for impairment of inventories	**2,855**	**–**	**–**	**2,855**

	Printing	Cemetery	Others and corporate	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
2014				
Revenues	300,359	9,487	–	309,846
Other income and net gain	6,419	64	232	6,715
Operating loss	(24,231)	(3,635)	(4,527)	(32,393)
Finance costs	(4,384)	(369)	(6,427)	(11,180)
Loss before taxation	(28,615)	(4,004)	(10,954)	(43,573)
Taxation (charge)/credit	(186)	625	–	439
Loss for the year	(28,801)	(3,379)	(10,954)	(43,134)
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
2014				
Other segment items are as follows:				
Capital expenditure	10,229	10,299	–	20,528
Depreciation	21,443	687	–	22,130
Amortization of prepaid lease payments	1,401	74	–	1,475
Provision for impairment of accounts receivable	596	819	–	1,415
Reversal of provision for impairment of accounts receivable	919	–	–	919
Provision for impairment of inventories	1,019	–	–	1,019

(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	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**19,787**	16,014	**580**	309
The People's Republic of China (the "PRC")	**14,263**	11,083	**10,063**	20,219
United States of America	**92,600**	110,087	**–**	–
United Kingdom	**50,030**	62,859	**–**	–
Germany	**41,314**	39,758	**–**	–
France	**25,946**	29,537	**–**	–
Other countries	**30,642**	40,508	**–**	–
	274,582	309,846	**10,643**	20,528

	Non-current assets		Total assets	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**1,301**	1,281	**171,429**	148,811
The PRC	**590,719**	602,731	**743,441**	802,224
	592,020	604,012	**914,870**	951,035

4. OTHER INCOME AND NET GAIN

	2015	2014
	HK$'000	*HK$'000*
Interest income from bank deposits	**583**	232
Sales of scraped materials	**3,237**	5,325
Reversal of provision for impairment of accounts receivable	**523**	919
Gain on disposal of property, plant and equipment	**11,231**	–
Loss on disposal of prepaid lease payment	**(333)**	–
Gain on disposal of subsidiaries *(note 12)*	**29,368**	–
Net exchange (loss)/gain	**(2,129)**	213
Write-back of provision for expenses undertaking *(note)*	**10,224**	–
Sundries	**2,336**	26
	55,040	6,715

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.

5. OPERATING LOSS

	2015	2014
	HK$'000	*HK$'000*
Operating loss is stated after charging:		
Cost of inventories sold	**155,538**	164,735
Depreciation	**19,226**	22,130
Amortization of prepaid lease payments	**302**	1,475
Provision for impairment of accounts receivable	**1,763**	1,415
Provision for impairment of inventories	**2,855**	1,019
Staff costs, including Directors' emoluments		
Wages and salaries	**99,288**	97,991
Retirement benefit costs	**1,265**	1,460

6. FINANCE COSTS

	2015	2014
	HK$'000	*HK$'000*
Interest expenses		
Bank borrowings wholly repayable within five years	**4,146**	4,383
Convertible notes wholly repayable within five years	**4,958**	14,178
	9,104	18,561
Fair value adjustment of accounts receivable	**(21)**	369
Amount capitalized into cemetery assets	**(2,688)**	(7,750)
	6,395	11,180

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% (2014: 14.86%) per annum.

7. TAXATION (CHARGE)/CREDIT

	2015	2014
	HK$'000	*HK$'000*
Current income tax		
PRC withholding corporate income tax *(note 12)*	**(6,300)**	–
Over/(under)-provision in prior years	**288**	(186)
Write-back of provision in prior years	**3,552**	–
Deferred taxation	**784**	625
	(1,676)	439

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 year ended 31st March, 2015 (2014: nil). PRC corporate income tax has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the PRC.

The write-back of provision for the year ended 31st March, 2015 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.

8. DIVIDENDS

No dividend was paid or declared for each of the years ended 31st March, 2015 and 2014.

The Board does not recommend the payment of a final dividend for the year ended 31st March, 2015 (2014: nil).

9. LOSS PER SHARE

The calculation of the loss per share is based on the loss attributable to equity holders of HK$16,649,000 (2014: HK$42,521,000) and the weighted average number of 2,815,605,000 (2014: 2,461,886,000, restated) shares in issue during the year. The weighted average numbers of shares used in the calculation of 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 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 years ended 31st March, 2015 and 2014.

10. INVENTORIES

	2015	2014
	HK$'000	*HK$'000*
Raw materials	**19,440**	21,142
Work in progress	**14,457**	12,840
Finished goods	**12,823**	10,827
	46,720	44,809

11. 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 invoices and net of provision for doubtful debt is as follows:

	2015	2014
	HK$'000	*HK$'000*
Below 30 days	**20,613**	27,702
31 to 60 days	**18,884**	7,706
61 to 90 days	**11,627**	18,891
Over 90 days	**16,244**	18,363
	67,368	72,662

12. ASSETS OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

	2015	2014
	HK$'000	*HK$'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 year ended 31st March, 2015. A gain on disposal of subsidiaries and the related PRC withholding corporate income tax were recorded in "Other income and net gain" and "Taxation (charge)/credit" respectively (see also notes 4 and 7).

13. ACCOUNTS PAYABLE

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

	2015	2014
	HK$'000	*HK$'000*
Below 30 days	**19,493**	14,854
31 to 60 days	**8,119**	13,052
Over 60 days	**18,644**	19,067
	46,256	46,973

14. COMMITMENTS

As at 31st March, 2015, the Group had capital expenditure commitments contracted but not provided for in respect of property, plant and equipment amounting to HK$974,000 (2014: HK$1,491,000).

15. PLEDGE OF ASSETS

As at 31st March, 2015, the Group had pledged certain assets including prepaid lease payments, property, plant and equipment and bank deposits, with an aggregate carrying value of HK$53,575,000 (31st March, 2014: HK$56,421,000), to secure banking facilities granted to the Group.

16. EVENT AFTER THE REPORTING PERIOD

On 21st April, 2015, the Company and its wholly-owned subsidiary entered into a sale and purchase agreement with Chuang's China Investments Limited (a listed subsidiary of CCIL) and its wholly-owned subsidiary to sell the entire registered capital of a PRC wholly-owned subsidiary of the Group (the major assets are the land and property in the PRC) at a consideration of RMB101.6 million (equivalent to approximately HK$127.0 million) (subject to adjustment). The consideration will be settled in full in cash at completion, which will be on the seventh business day after the last outstanding conditions precedent of the transaction is fulfilled and a net gain is expected to be realized by the Group. Details of the transaction were set out in the announcement and the circular of the Company dated 21st April, 2015 and 13th May, 2015 respectively.

MANAGEMENT DISCUSSION ON RESULTS FOR THE YEAR ENDED 31ST MARCH, 2015

The principal activities of the Group during the year 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 year ended 31st March, 2015, revenues of the Group amounted to HK$274.6 million (2014: HK$309.8 million), representing a decrease of 11.4% compared to that of the last year mainly due to a decrease in the sales of printing products. Revenues of the Group comprised income from the printing business of HK$262.1 million (2014: HK$300.3 million) and income from the property business of HK$12.5 million (2014: HK$9.5 million).

As a result of the decrease in revenues generated from the sales of printing products, gross profit of the Group during the year decreased to HK$43.0 million (2014: HK$67.6 million). Other income and net gain increased to HK$55.0 million (2014: HK$6.7 million). This was mainly due to a gain on disposal of property, plant and equipment, 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 for certain expenses undertaking in relation to the disposal of certain subsidiaries in September 2007 as the undertaking had expired in September 2014. A detailed breakdown is shown in note 4 on page 7 of this report.

On the costs side, selling and marketing expenses increased slightly to HK$25.2 million (2014: HK$24.4 million). Administrative and other operating expenses decreased to HK$81.9 million (2014: HK$82.3 million). In August 2014, the Group repaid all outstanding convertible notes upon maturity, therefore the finance costs decreased to HK$6.4 million (2014: HK$11.2 million). Taxation charge amounted to HK$1.7 million (2014: taxation credit of HK$0.4 million) mainly due to the PRC withholding corporate income tax payable arising from the disposal of subsidiaries.

Taking all the above into account, loss attributable to equity holders of the Company for the year ended 31st March, 2015 amounted to HK$16.6 million (2014: HK$42.5 million). Loss per share amounted to 0.6 HK cent (2014: 1.7 HK cents).

DIVIDENDS

In view of the loss incurred by the Group during the year under review, the Board has decided not to recommend the payment of a final dividend for the year. No interim dividend was paid during the year.

BUSINESS REVIEW

(A) Printing Business

The uncertain economic outlook has dampened the global printing demand. Customer sentiment was adversely affected, causing them to take a cautious approach toward ordering and stocking. They withheld or reduced orders with shorter lead time, while intense competition in the printing industry brought down the price of orders. These trends affected the printing revenue of the Group. As a result, during the year under review, the Group recorded a decrease of sales of 12.7% in the printing division.

In the cost aspects, with further increase in minimum wages in the Southern China region, the Group experienced regular upward adjustments in labour cost during the year. Due to intense competition in the printing market, the additional costs could not be fully passed to the customers and, as a result, this has an adverse effect on the Group's profit margin. In response to the harsh operating environment, the Group enhanced production efficiency through automation and lean manufacturing practices, and continued to search for materials with lower costs so as to ease the cost pressure. The Group also upheld strict control on its capital investment and closely monitored its stock level and customer credit.

In order to achieve improvement, the Group will concentrate its effort on enhancing sales. In this respect, the Group will strengthen its marketing team and delegate additional resources to strengthen the product development and engineering department aiming to improve product structure and to lower processing cost. Coupled with the cost saving measures as mentioned above, this will enable the Group to offer a more competitive price to its customers for orders. Furthermore, the Group will focus to develop various stationary products with original design and launch these into the PRC market in order to capture steady revenue.

Taking into account the anticipated printing demand, the Group considered that the current production facilities at Boluo, Huizhou is sufficient for its requirement in the coming years. Accordingly, the Group had taken steps to dispose of the other two factory premises in order to realize their capital values. In May 2014, the Group disposed of the industrial land located at Coastal Industry Zone in Shatian, Dongguan to an independent third party. The net proceeds of HK$77.4 million from this disposal were applied as general working capital of the Group.

In April 2015, the Group entered into an agreement to dispose of the Group's another factory premises at Changan, Dongguan for RMB101.6 million (equivalent to approximately HK$127.0 million). Details of the transaction was set out in the circular issued by the Company dated 13th May, 2015 and the disposal was approved by the independent shareholders of the Company on 29th May, 2015. Completion is expected to take place soon after all approvals have been obtained from relevant PRC authorities. Upon completion of the disposal, the Group expects to realize a net gain of about HK$110 million.

(B) Property Business

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 inclusive of a martyr memorial cemetery as mentioned below, and an adjacent site of 4,482 mu, which has been reserved, making up a total of 5,000 mu.

During the year under review, local government has approved to establish a martyr memorial cemetery within Fortune Wealth Memorial Park for commemorating martyrs. Construction work of this martyr memorial cemetery commenced in July 2014 and was completed in early 2015. The Group believes that this martyr memorial cemetery can enhance customer awareness and improve sales in the long run.

In the sales aspect, the Group delegated more resources into the Guangzhou district, which was a major market for our cemetery business. The Group continued to strengthen its sales team by recruiting more salesmen and appointing new agencies for promoting the services of the cemetery. In order to expand our market presence and attract more customers, the Group has, during the year, set up two new sales offices in Guangzhou, making a total of four sales offices and the Group is planning to increase two more sales outlets in the Guangzhou district in the near future.

In the promotion aspect, the Group continued to allocate more resources in placing advertisements in newspapers or through funeral parlors. Our sales team continued to conduct regular visits to the home for the aged and to provide comprehensive caring and burial information and services to elderly so as to boost our publicity. All these efforts built up awareness among target customers and helped to boost cemetery sales and as a result, sales during the year under review increased by 31.6% over that of the last year.

In the development aspect, the Group has completed 8 graveyards (area M1 to M8) and a mausoleum which can accommodate niches on the 100 mu of land. There are 3,257 grave plots already built, of which 990 grave plots were sold at the balance sheet date, leaving 2,267 grave plots available for sales. The Group is in the process of constructing two new graveyards (area M9 and M10) which consisted of about 830 grave plots. These new graveyards are expected to be completed soon and the Group will launch these into the market once completed. In order to further enhance the value of the cemetery, the Group plans to add two more graveyards (area M11 and M12) comprising about 1,350 grave plots. Layout plan of these new graveyards is in the process of being finalized and construction work will commence soon. Upon completion of the above development, there will be about 4,447 grave plots available for sale in the initial 100 mu of land with sales value of about RMB250 million based on current market prices.

In anticipation of the growing demand of prestigious grave plots, the Group is now in negotiation with the local government with a view to expand the cemetery by phases.

(C) Information Technology Business

Since 2008, the Group has established a subsidiary, namely Midas Solution and Consulting Limited ("MSCL"), to provide information technology services to group companies on a cost sharing basis. MSCL has an experienced software development team with various information technology skills. Throughout these years, this team has successfully established and implemented an Enterprises Resources Planning System for the Group's printing operation. The team has also developed and maintained a management information system for the Group's cemetery operation. All these systems optimized the operating process and provided monitoring and controlling functions within the Group. Furthermore, MSCL has in the past years developed various Apps and a real time bidding system for an online auction company.

In view of experiences gained through the above developments and the substantial growth potential in the information technology business, the Group will in future delegate more resources to strengthen the information technology team and explore investment opportunities (including the formation of strategic partnership) in the e-publishing, e-commerce and e-auction businesses.

PROSPECTS

The operating environment for the printing industry is challenging in the coming years. Moving forward, the Group is adopting a prudent approach in its resources allocation so as to enhance its competitive advantage. Furthermore, the Group will actively expand into the original design manufacturing business and explore other means to better utilize the Group's manufacturing network and resources. At the same time, the Group will be carefully monitoring the printing market and act swiftly and forcefully as and when opportunities arise.

As the majority of customers of the cemetery are from cities located nearby the cemetery in the Pearl River Delta, improvements in infrastructure in these areas are important to the development of the cemetery. In this respect, the Group noted that there are a number of major infrastructural development projects in progress within these areas and these projects are expected to be completed in the coming years. The Group is confident that, with the completion of these infrastructural development projects coupled with our continuous effort in sales and marketing, the return from the cemetery business should be promising in the long run.

In order to diversify the income base of the Group and to restore the Group into profitability soonest possible, in addition to looking into new business opportunities in the information technology business as stated above, the Group will review the development strategies of the printing and property businesses and such development strategies will include, inter alia, enticement of new investor, formation of strategic partnership, or disposing part or whole of the printing or property business to realize their intrinsic values.

FINANCIAL POSITION

As at 31st March, 2015, cash and bank balances (including pledged bank balances) of the Group amounted to HK$114.4 million (2014: HK$85.8 million) whereas bank borrowings as at the same date amounted to HK$55.5 million (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 10.0% (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 was used to acquire additional paper stock for future orders, to early repay part of the current suppliers' payables upon successful negotiation for discount and to reduce the bank borrowings of the Group.

In April 2015, the Group entered into an agreement to dispose of the factory premises at Changan, Dongguan for RMB101.6 million (equivalent to approximately HK$127.0 million). Upon completion of the disposal, the financial position of the Group will be further strengthened. Furthermore, as part of the Group's treasury operation, the Group may invest its surplus cash in bond market so as to enhance the investment return and to generate additional source of revenue to the Group.

Net asset value attributable to equity holders of the Company as at 31st March, 2015 amounted to HK$556.0 million, equivalent to about HK$0.168 (2014: HK$0.211) per share.

PROPOSED INCREASE IN AUTHORIZED SHARE CAPITAL OF THE COMPANY

As at the date of this announcement, the current authorized share capital of Company is HK$420,000,000 comprising 4,000,000,000 ordinary shares of HK$0.10 each (the "Share(s)") and 2,000,000,000 preference shares of HK$0.01 each and 3,310,812,417 Shares had been issued. In order to provide the Company with greater flexibility to accommodate future issues of Shares, as and when necessary, the Board proposes the authorized share capital of the Company be increased to HK$820,000,000 comprising 8,000,000,000 Shares and 2,000,000,000 preference shares of HK$0.01 each by the creation of 4,000,000,000 additional Shares. The proposed increase in authorized share capital of the Company is subject to shareholders' approval at the coming annual general meeting of the Company. A circular containing, among other matters, details of the proposed increase in authorized share capital of the Company will be dispatched to shareholders as soon as practicable.

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 the 2014 annual general meeting of the Company pursuant to Code A.6.7 of the CG Code. Except as mentioned above, the Company has complied throughout the year ended 31st March, 2015 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, internal controls and review the relationship with the auditor. The Audit Committee has held meetings in accordance with the relevant requirements and has reviewed with the Directors and the auditor the accounting principles and practices adopted by the Group, the internal control and financial reporting process and the Company's consolidated financial statements for the year ended 31st March, 2015. 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.

REVIEW OF PRELIMINARY ANNOUNCEMENT

The figures in this preliminary announcement of the Group's results for the year ended 31st March, 2015 have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this preliminary announcement.

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

During the year ended 31st March, 2015, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

STAFF

As at 31st March, 2015, the Group, including its subcontracting processing plants, employed approximately 1,259 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 RESULTS ON THE STOCK EXCHANGE'S WEBSITE

The annual report of the Company for the year ended 31st March, 2015 containing all applicable information required by paragraph 45 of Appendix 16 of the Listing Rules will be published on the website of the Stock Exchange in due course.

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

Hong Kong, 24th June, 2015

As at the date of this announcement, Mr. Richard Hung Ting Ho, Mr. Geoffrey Chuang Ka Kam, Miss Candy Chuang Ka Wai and Mr. Wong Chi Sing 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.