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, 2015

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, 2015 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the six months ended 30th September, 2015

	Note	**2015** ***HK$'000***	2014 *HK$'000*
Revenues	*5*	**151,964**	161,222
Cost of sales		**(119,492)**	(133,492)
Gross profit		**32,472**	27,730
Other income and net gain	*7*	**116,066**	41,536
Selling and marketing expenses		**(15,232)**	(12,649)
Administrative and other operating expenses		**(38,057)**	(39,751)
Operating profit	*8*	**95,249**	16,866
Finance costs	*9*	**(1,670)**	(3,993)
Profit before taxation		**93,579**	12,873
Taxation credit/(charge)	*10*	**717**	(2,385)
Profit for the period		**94,296**	10,488
Other comprehensive (loss)/income:			
Items that may be reclassified subsequently to profit or loss			
Net exchange differences		**(9,124)**	3,559
Realization of exchange reserve upon disposal of subsidiaries		**(113)**	(180)
Total comprehensive income for the period		**85,059**	13,867
Profit for the period attributable to:			
Equity holders of the Company		**94,644**	10,746
Non-controlling interests		**(348)**	(258)
		94,296	10,488
Total comprehensive income/(loss) for the period attributable to:			
Equity holders of the Company		**86,813**	13,573
Non-controlling interests		**(1,754)**	294
Total comprehensive income for the period		**85,059**	13,867
		HK cents	*HK cent*
Earnings per share (basic and diluted)	*12*	**2.9**	0.4

* *For identification purpose only*

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
As at 30th September, 2015

	Note	30th September, 2015 HK$'000	31st March, 2015 HK$'000
Non-current assets			
Prepaid lease payments		**5,477**	8,816
Property, plant and equipment		**51,017**	66,102
Cemetery assets		**506,361**	517,102
		562,855	592,020
Current assets			
Inventories	*13*	**33,732**	46,720
Cemetery assets		**81,522**	82,137
Accounts receivable	*14*	**84,422**	67,368
Deposits, prepayments and other receivables		**15,661**	12,183
Financial assets at fair value through profit or loss		**101,724**	–
Pledged bank balances		**–**	15,000
Cash and bank balances		**106,376**	99,442
		423,437	322,850
Current liabilities			
Accounts payable	*15*	**38,216**	46,256
Accrued charges and other payables		**34,603**	36,622
Amount due to a non-controlling shareholder		**1,366**	1,366
Tax payable		**9,443**	9,443
Bank borrowings		**55,318**	55,546
		138,946	149,233
Net current assets		**284,491**	173,617
Total assets less current liabilities		**847,346**	765,637
Equity			
Share capital		**331,081**	331,081
Reserves		**311,743**	224,930
Shareholders' funds		**642,824**	556,011
Non-controlling interests		**67,093**	68,847
Total equity		**709,917**	624,858
Non-current liabilities			
Deferred income		**3,096**	2,391
Deferred taxation liabilities		**134,333**	138,388
		137,429	140,779
		847,346	765,637

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, 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, information technology business and securities investment and trading.

2. BASIS OF PREPARATION

The condensed interim financial information has been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss at fair values, 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, 2015 which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

During the period ended 30th September, 2015, the Group acquired quoted bonds amounted to HK$102,057,000 and the bonds were classified as financial assets at fair value through profit or loss at initial recognition according to the purpose for which the financial assets are acquired. Except as described below, 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, 2015.

(a) Accounting policies for financial assets

Financial assets at fair value through profit or loss are classified as current assets if they are either held for trading or are expected to be realized within twelve months from the balance sheet date. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorized as held for trading unless they are designated as hedges. Financial assets at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the consolidated statement of comprehensive income, and subsequently carried at fair value.

Realized and unrealized gains and losses arising from changes in the fair value of financial assets at fair value through profit or loss, including interest and dividend income, are included in the consolidated statement of comprehensive income in the financial period in which they arise.

(b) Effect of adopting amendments to standards

For the six months ended 30th September, 2015, the Group adopted the following amendments to standards that are effective for the accounting periods beginning on or after 1st April, 2015 and relevant to the operations of the Group:

HKAS 19 (2011) (Amendment)	Employee Benefits: Defined Benefit Plans – Employee Contributions
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2010–2012 Cycle
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2011–2013 Cycle

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.

(c) 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, 2016, 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 and HKAS 38 (Amendments)	Property, Plant and Equipment and Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortization (effective from 1st January, 2016)
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, 2018)
HKFRSs (Amendments)	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.

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, foreign exchange risk and price 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, 2015. There has been no material change in the Group's financial risk management policies since the year ended 31st March, 2015.

(b) Liquidity risk

Compared to the year ended 31st March, 2015, there was no material change in the contractual undiscounted cash flows for financial liabilities.

(c) Price risk

The Group is exposed to price risk because investments held by the Group are classified as financial assets at fair value through profit or loss. Unrealized gains and losses arising from the change in the fair value of financial assets at fair value through profit or loss are recognized in the consolidated statement of comprehensive income. To manage its price risk arising from investments in financial assets at fair value through profit or loss, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

As at 30th September, 2015, if market price of the Group's publicly-traded investments increased/decreased by 5% with all other variables held constant, the profit before taxation of the Group would have increased/decreased by approximately HK$5,086,000.

(d) Fair value estimation

The fair values of financial instruments traded in active markets are based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current price within the bid-ask spread which is the most representative of the fair value in the given circumstances. 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 condensed interim financial information approximate their fair values.

During the six months ended 30th September, 2015, 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 financial assets at fair value through profit or loss is within level 1 of the fair value measurement hierarchy. There are no financial instruments measured at level 2 and 3 within the fair value measurement hierarchy as at 30th September, 2015. There was no transfer of financial assets or financial liabilities between the levels 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, 2015.

5. REVENUES

Revenues (representing turnover) recognized during the period are as follows:

	2015	2014
	HK$'000	*HK$'000*
Sales of printed products	**141,467**	156,011
Sales of cemetery assets	**10,428**	5,211
Interest income from financial assets at fair value through profit or loss	**386**	–
Fair value loss of financial assets at fair value through profit or loss	**(317)**	–
	151,964	161,222

6. 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. For the period ended 30th September, 2015, the CODM considers the investment in the financial assets at fair value through profit or loss as a new business segment. Accordingly, business segments include printing, cemetery, securities investment and trading 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 *HK$'000*	Cemetery *HK$'000*	Securities investment and trading *HK$'000*	Others and corporate *HK$'000*	Total *HK$'000*
2015					
Revenues	**141,467**	**10,428**	**69**	**–**	**151,964**
Other income and net gain/(loss)	**115,722**	**2**	**(16)**	**358**	**116,066**
Operating profit/(loss)	**100,462**	**(2,721)**	**53**	**(2,545)**	**95,249**
Finance (costs)/income	**(1,877)**	**207**	**–**	**–**	**(1,670)**
Profit/(loss) before taxation	**98,585**	**(2,514)**	**53**	**(2,545)**	**93,579**
Taxation credit	**–**	**717**	**–**	**–**	**717**
Profit/(loss) for the period	**98,585**	**(1,797)**	**53**	**(2,545)**	**94,296**
As at 30th September, 2015					
Total assets	**170,299**	**607,893**	**101,724**	**106,376**	**986,292**
Total liabilities	**72,889**	**148,168**	**–**	**55,318**	**276,375**
2015					
Other segment items are as follows:					
Capital expenditure	**2,604**	**400**	**–**	**–**	**3,004**
Gain on disposal of a subsidiary	**108,718**	**–**	**–**	**–**	**108,718**
Depreciation	**7,882**	**341**	**–**	**–**	**8,223**
Amortization of prepaid lease payments	**105**	**36**	**–**	**–**	**141**
Provision for impairment of accounts receivable	**–**	**209**	**–**	**–**	**209**
Reversal of provision for impairment of inventories	**447**	**–**	**–**	**–**	**447**

	Printing *HK$'000*	Cemetery *HK$'000*	Others and 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 31st March, 2015				
Total assets	181,597	618,831	114,442	914,870
Total liabilities	87,187	147,279	55,546	290,012
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

(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	**6,484**	13,422	**623**	547
The People's Republic of China (the "PRC")	**12,684**	6,016	**2,381**	5,697
United States of America	**52,521**	52,748	**–**	–
United Kingdom	**31,400**	28,919	**–**	–
Germany	**20,361**	22,064	**–**	–
France	**16,623**	17,640	**–**	–
Other countries	**11,891**	20,413	**–**	–
	151,964	161,222	**3,004**	6,244

	Non-current assets		**Total assets**	
	30th September, 2015	31st March, 2015	**30th September, 2015**	31st March, 2015
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**1,638**	1,301	**287,282**	171,429
The PRC	**561,217**	590,719	**699,010**	743,441
	562,855	592,020	**986,292**	914,870

7. OTHER INCOME AND NET GAIN

	2015	2014
	HK$'000	*HK$'000*
Interest income from bank deposits	**358**	283
Sales of scraped material	**2,683**	1,680
Gain on disposal of property, plant and equipment	**2,584**	1,381
Loss on disposal of prepaid lease payment	**–**	(333)
Gain on disposal of subsidiaries *(note i)*	**108,718**	29,368
Net exchange gain/(loss)	**114**	(1,432)
Write-back of provision for expenses undertaking *(note ii)*	**–**	10,224
Sundries	**1,609**	365
	116,066	41,536

Notes:

(i) *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. The transaction was completed during the period ended 30th September, 2014. A gain on disposal of subsidiaries and the related PRC withholding corporate income tax were recorded in this note and "Taxation credit/(charge)" (note 10) respectively. Details of the transaction were set out in the announcement of the Company on 14th May, 2014.*

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$123.4 million). The transaction was completed on 21st August, 2015 and the consideration was settled in full in cash at completion. A gain on disposal of the subsidiary was recorded in this note. Details of the transaction were set out in the announcements of the Company dated 21st April, 2015 and 21st August, 2015, and the circular of the Company dated 13th May, 2015.

(ii) *The write-back of provision for expenses undertaking was related to the disposal of certain subsidiaries of the Group in September 2007 as the respective undertaking expired in September 2014.*

8. OPERATING PROFIT

	2015	2014
	HK$'000	*HK$'000*
Operating profit is stated after charging/(crediting):		
Cost of inventories sold	**72,403**	89,132
Depreciation	**8,223**	10,028
Amortization of prepaid lease payments	**141**	151
(Reversal of provision)/provision for impairment of inventories	**(447)**	558
Provision for impairment of accounts receivable	**209**	528
Staff costs, including Directors' emoluments		
Wages and salaries	**53,285**	55,275
Retirement benefit costs	**435**	540

9. FINANCE COSTS

	2015	2014
	HK$'000	*HK$'000*
Interest expenses		
Bank borrowings wholly repayable within five years	**1,877**	1,900
Convertible note wholly repayable within five years	**–**	4,958
	1,877	6,858
Fair value adjustment of accounts receivables	**(207)**	(177)
Amount capitalized into cemetery assets	**–**	(2,688)
	1,670	3,993

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 for the six months ended 30th September, 2014 was 14.86% per annum.

10. TAXATION CREDIT/(CHARGE)

	2015	2014
	HK$'000	*HK$'000*
Current income tax		
PRC withholding corporate income tax (note 7)	**–**	(6,300)
Write-back of provision in prior years	**–**	3,552
Deferred taxation	**717**	363
	717	(2,385)

No provision for Hong Kong profits tax has been provided as the Group has sufficient tax losses to offset the estimated assessable profit for the period ended 30th September, 2015 (2014: nil). No provision for PRC corporate income tax has been provided as the Group has sufficient tax losses to offset the estimated assessable profit for the period ended 30th September, 2015 (2014: PRC corporate income tax had 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.

11. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30th September, 2015 (2014: nil).

12. EARNINGS PER SHARE

The calculation of the earnings per share is based on the profit attributable to equity holders of HK$94,644,000 (2014: HK$10,746,000) and the weighted average number of 3,310,812,000 (2014: 2,461,866,000) shares in issue during the period. The weighted average number of shares used in the calculation of earnings per share for the six months ended 30th September, 2014 had been adjusted for the bonus element of the rights issue following the completion of the rights issue on 6th November, 2014.

The potential ordinary shares attributable to the assumed conversion of convertible notes had anti-dilutive effect for the six months ended 30th September, 2014. The convertible notes were redeemed on their maturity date on 3rd August, 2014 at par.

13. INVENTORIES

	30th September, 2015	31st March, 2015
	HK$'000	*HK$'000*
Raw materials	**18,821**	19,440
Work in progress	**6,767**	14,457
Finished goods	**8,144**	12,823
	33,732	46,720

14. 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:

	30th September, 2015	31st March, 2015
	HK$'000	*HK$'000*
Below 30 days	**17,649**	20,613
31 to 60 days	**24,371**	18,884
61 to 90 days	**19,859**	11,627
Over 90 days	**22,543**	16,244
	84,422	67,368

15. ACCOUNTS PAYABLE

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

	30th September, 2015	31st March, 2015
	HK$'000	*HK$'000*
Below 30 days	**22,930**	19,493
31 to 60 days	**3,284**	8,119
Over 60 days	**12,002**	18,644
	38,216	46,256

16. CAPITAL COMMITMENTS

As at 30th September, 2015, the Group had capital expenditure commitments contracted but not provided for in respect of property, plant and equipment and cemetery assets amounting to HK$4,586,000 (31st March, 2015: HK$974,000).

17. PLEDGE OF ASSETS

As at 30th September, 2015, the Group had pledged certain assets including prepaid lease payments and property, plant and equipment, with an aggregate carrying value of HK$8,793,000 (31st March, 2015: HK$53,575,000, including bank deposits), to secure banking facilities granted to the Group.

MANAGEMENT DISCUSSION ON RESULTS FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2015

The principal activities of the Group were printing business, property business, information technology business and securities investment and trading 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, 2015, revenues of the Group amounted to HK$152.0 million (2014: HK$161.2 million), representing a slight decrease of 5.7% compared to that of the last period mainly due to a decrease in the sales of printed product. Revenues of the Group comprised income from the printing business of HK$141.5 million (2014: HK$156.0 million), income from the cemetery business of HK$10.4 million (2014: HK$5.2 million) and income from the securities investment and trading business of HK$0.1 million (2014: nil).

Despite the decrease in revenues, as a result of tight cost control and improvement in production efficiency in the printing operation, gross profit during the period increased to HK$32.5 million (2014: HK$27.7 million), representing an increase of 17.3% compared to that of the last period. Gross profit margin improved to 21.4% (2014: 17.2%). Other income and net gain increased to HK$116.1 million (2014: HK$41.5 million) mainly due to a gain on disposal of a subsidiary, details of which were set out in the circular of the Company dated 13th May, 2015. A breakdown of other income and net gain is shown in note 7 on page 9 of this report.

On the costs side, selling and marketing expenses increased to HK$15.2 million (2014: HK$12.6 million) mainly due to the launching of a new promotion campaign relating to the cemetery business. Administrative and other operating expenses decreased to HK$38.1 million (2014: HK$39.8 million) as a result of effective cost control. In August 2014, the Group repaid all outstanding convertible notes upon maturity, therefore the finance costs during the period further decreased to HK$1.7 million (2014: HK$4.0 million).

Taking all the above into account, profit attributable to equity holders of the Company for the six months ended 30th September, 2015 amounted to HK$94.6 million (2014: HK$10.7 million). Earnings per share amounted to 2.9 HK cents (2014: 0.4 HK cent).

DIVIDEND

The board of Directors (the "Board") has decided not to recommend the payment of an interim dividend for the period (2014: nil).

BUSINESS REVIEW

(A) Printing Business

With the slowdown in recovery of the global economy, customers were still cautious in placing orders and, as a result, the Group recorded lower than expected printing revenues. Revenues of the printing business of the Group during the period amounted to HK$141.5 million, representing a decrease of 9.3% compared to that of the last period. In order to cope with this adverse market condition, the Group will continue its effort to solidify existing customers and broaden its clientele.

In the cost aspects, the Group achieved solid progress in the implementation of cost reduction measures. In striving for lean manufacturing, the Group added automated equipments to improve efficiency and continues to search for materials with lower costs. Tight inventory control and effective cash flow management ensured proper allocation of financial resources to higher return sector. All these measures increased the Group's cost efficiency and enhanced its profit margin.

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, in April 2015, the Group entered into an agreement to dispose of the Group's factory premises at Changan, Dongguan for RMB101.6 million (equivalent to approximately HK$123.4 million). Details of the disposal were set out in the circular issued by the Company dated 13th May, 2015. The transaction was completed on 21st August, 2015 and realized a gain on disposal of HK$108.7 million.

(B) Property Business – Cemetery Operation

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.

In the sales aspect, as the Guangzhou district was a major market for our cemetery, the Group concentrated its resources to develop this market. The Group has, during the period, set up two new sales offices in Guangzhou, making a total of six sales offices. In order to further expand its market presence, the Group has also, during the period, organized a large scale promotion campaign in Guangzhou. All these efforts boosted cemetery sales and as a result, sales during the period increased by 100.0% from HK$5.2 million in the last period to HK$10.4 million in this period. Furthermore, the Group also achieved sales in October 2015 of HK$3.2 million, representing an increase of approximately 105.0% compared to October 2014.

In the development aspect, the Group has completed 10 graveyards (area M1 to M10) and a mausoleum which can accommodate niches on the 100 mu of land. As of to-date, there are 4,165 grave plots already built, of which 1,239 grave plots are sold, leaving 2,926 grave plots available for sales. The Group is in the process of constructing two new graveyards (area M11 and M12) which will consist of 1,236 grave plots. These new graveyards are expected to be completed in early 2016 and the Group will launch them into the market once completed. Upon completion of the above development, there will be 4,162 grave plots available for sale in the initial 100 mu of land.

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

As disclosed in the 2015 annual report, leveraging on the Group's experience in the information technology business and the substantial growth potential in such business, the Group will continue to explore investment opportunities, in particular, in the e-publishing, e-commerce and e-auction businesses, in order to generate additional source of revenues to the Group.

(D) Securities Investment and Trading Business

In order to provide the Group with an opportunity to enhance income for its surplus cash amidst the prevailing low interest rate environment, the Group has, during the period, commenced to invest in quoted bonds. Investment policies were formulated and adopted by the Board for regulating investment in this aspect. As at 30th September, 2015, investments of the Group, classified in accordance with HKFRSs under current assets as "financial assets at fair value through profit or loss", amounted to HK$101.7 million, comprised of quoted bonds issued by Shimao Property Holdings Limited and Evergrande Real Estate Group Limited. The Group will continue to make further investments of its surplus cash in the bond market as it considers appropriate as part of its treasury operation and, securities investment and trading business had become one of the principal activities of the Group with segment information relating thereto being included in this report.

PROSPECTS

The Group believes that a harsh operating environment will continue to confront the Group's printing business in the coming years. Moving forward, the Group will continue to solidify its customer base while expanding domestic sales in the PRC. Internally, the Group will reinforce its cost saving measures to enhance cost efficiency. While fully cognizant of the challenge ahead, the Group is confident to achieve better result on the strength of experience in the printing industry and our commitment to provide quality total solutions to customers.

The rapid growth of aged population in the PRC increases the demand of prestigious grave plots and niches. Coupled with improvements in infrastructure in the area nearby the cemetery, and our continuous investment in marketing, the Group believes that steady growth in cemetery sales will continue in the future.

In order to generate new sources of revenues to the Group and to maintain profitability in the future, in addition to investing in the bond market and looking into new business opportunities, the Group will continue to review the development strategies of the existing printing and property business and such development strategies may 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

Financial resources

As at 30th September, 2015, cash and bank balances of the Group amounted to HK$106.4 million (31st March, 2015: HK$114.4 million, including pledged bank balances) whereas bank borrowings as at the same date amounted to HK$55.3 million (31st March, 2015: HK$55.5 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 8.6% (31st March, 2015: 10.0%). Approximately 88.5% of the Group's cash and bank balances were denominated in Hong Kong dollar and United States dollar and the balance of 11.5% were in Renminbi. Approximately 64.7% of the Group's bank borrowings were denominated in Hong Kong dollar and the balance of 35.3% were in Renminbi.

Foreign exchange risk

For the Group's printing business, the income is mainly denominated in United States dollar and thus the exchange exposure is minimal. The major cost items are denominated in Renminbi and thus the Group is exposed to Renminbi's exchange risk. For the Group's cemetery business, it is conducted in the PRC, with the income and the major cost items being denominated in Renminbi. Therefore, it is expected that any fluctuation of Renminbi's exchange rate would not have material effect on the cemetery operations of the Group. However, as the Group's consolidated financial statements are presented in Hong Kong dollar, the Group's financial position is subject to exchange exposure in Renminbi. The Group would closely monitor these risk exposures from time to time.

Net asset value

Net asset value attributable to equity holders of the Company as at 30th September, 2015 amounted to HK$642.8 million (31st March, 2015: HK$556.0 million), equivalent to about HK$0.194 (31st March, 2015: HK$0.168) 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. Except as mentioned hereof, the Company has complied throughout the six months ended 30th September, 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 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, 2015 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, 2015, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

STAFF

As at 30th September, 2015, the Group, including its subcontracting processing plants, employed approximately 1,148 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, 2015 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, 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, and Mr. Abraham Shek Lai Him, Dr. Eddy Li Sau Hung and Mr. Yau Chi Ming are the Independent Non-Executive Directors of the Company.