



MIDAS INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1172

INTERIM REPORT 2016

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CORPORATE INFORMATION

Honorary Chairman	Mr. Alan Chuang Shaw Swee
Board of Directors	Executive Directors Mr. Richard Hung Ting Ho <i>(Chairman and Managing Director)</i> Mr. Geoffrey Chuang Ka Kam <i>(Deputy Managing Director)</i> Miss Candy Chuang Ka Wai Mr. Wong Chi Sing Non-Executive Director Mr. Dominic Lai Independent Non-Executive Directors Mr. Abraham Shek Lai Him, G.B.S., J.P. Dr. Eddy Li Sau Hung, B.B.S., J.P. Mr. Yau Chi Ming
Audit Committee	Mr. Abraham Shek Lai Him, G.B.S., J.P.* Dr. Eddy Li Sau Hung, B.B.S., J.P. Mr. Yau Chi Ming Mr. Dominic Lai
Nomination Committee	Mr. Abraham Shek Lai Him, G.B.S., J.P.* Dr. Eddy Li Sau Hung, B.B.S., J.P. Mr. Dominic Lai
Remuneration Committee	Mr. Yau Chi Ming* Mr. Abraham Shek Lai Him, G.B.S., J.P. Mr. Dominic Lai
Corporate Governance Committee	Mr. Richard Hung Ting Ho* Mr. Geoffrey Chuang Ka Kam Miss Candy Chuang Ka Wai
Company Secretary	Ms. Lee Wai Ching
Auditor	PricewaterhouseCoopers 22nd Floor, Prince's Building 10 Chater Road Central Hong Kong

* *Chairman of the relevant committee*

CORPORATE INFORMATION *(Continued)*

Registrars

Principal Registrar

Codan Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Registrar in Hong Kong

Computershare Hong Kong Investor
Services Limited
Shops 1712-1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

Principal Bankers

The Hongkong and Shanghai Banking
Corporation Limited
Bank of China (Hong Kong) Limited

Registered Office

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Head Office and Principal Place of Business in Hong Kong

25th Floor, Alexandra House
18 Chater Road
Central
Hong Kong
Website: <http://www.midasprinting.com>

CORPORATE INFORMATION *(Continued)*

**Other Offices
in the People's
Republic of China
(the "PRC")**

**Guangdong Boluo Yuanzhou Midas
Printing Limited**

Boluo Yuanzhou Town Xianan
Administration District
Huizhou, Guangdong
The PRC

**Fortune Wealth Memorial
Park (Si Hui) Limited**

Jiang Gu
Si Hui, Guangdong
The PRC

Stock Code

1172

MANAGEMENT DISCUSSION ON RESULTS

The board of Directors (the “Board”) of Midas International Holdings Limited (the “Company”) presents the interim report including the condensed consolidated interim financial information of the Company and its subsidiaries (collectively as the “Group”) for the six months ended 30th September, 2015. The condensed consolidated statement of comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the six months ended 30th September, 2015, and the condensed consolidated statement of financial position as at 30th September, 2015 along with the notes thereon, are set out on pages 15 to 34 of this report.

FINANCIAL REVIEW

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 27 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).

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

FINANCIAL REVIEW *(Continued)*

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 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.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

BUSINESS REVIEW *(Continued)*

(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.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

BUSINESS REVIEW *(Continued)*

(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 Hong Kong Financial Reporting Standards 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.

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.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

FINANCIAL POSITION *(Continued)*

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.

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.

OTHER INFORMATION

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

As at 30th September, 2015, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which have been notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Directors and chief executive of the Company would be taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of Part XV of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), to be notified to the Company and the Stock Exchange were as follows:

(a) Interests in the Company

Name of Director	Number of ordinary shares	Capacity	Nature of interest	Percentage of shareholding
Mr. Abraham Shek Lai Him ("Mr. Shek")	30,000	Beneficial owner	Personal interest	0.0009

(b) Interests in Chuang's China Investments Limited ("Chuang's China")

Name of Director	Number of ordinary shares	Capacity	Nature of interest	Percentage of shareholding
Miss Candy Chuang Ka Wai ("Miss Candy Chuang")	1,255,004 (note)	Beneficial owner	Personal interest	0.08

note: Such interests included entitlement under the scrip dividend scheme of Chuang's China, details of which were set out in the circular of Chuang's China dated 21st September, 2015.

Save as disclosed, during the period under review, none of the Directors and chief executive of the Company nor their spouses or children under 18 years of age were granted or had exercised any right to subscribe for any securities of the Company or any of its associated corporations.

OTHER INFORMATION *(Continued)*

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES *(Continued)*

Other than as disclosed herein, as at 30th September, 2015, none of the Directors and the chief executive of the Company had any interest or short position in shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of Part XV of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS

So far as is known to any Directors or chief executive of the Company and save as disclosed in the section headed "Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures" above, as at 30th September, 2015, the interests and short positions of person in the shares and underlying shares of the Company which would fall to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required, pursuant to Section 336 of Part XV of the SFO, to be entered in the register referred to therein were as follows:

Name of shareholder	Number of ordinary shares of the Company	Capacity
Gold Throne Finance Limited ("Gold Throne")	2,013,573,887 <i>(note 1)</i>	Beneficial owner
Chuang's Consortium International Limited ("CCIL")	2,013,573,887 <i>(note 1)</i>	<i>(note 2)</i>
Evergain Holdings Limited ("Evergain")	2,013,573,887 <i>(note 1)</i>	<i>(note 2)</i>
Mr. Alan Chuang Shaw Swee ("Mr. Alan Chuang")	2,013,573,887 <i>(note 1)</i>	<i>(note 2)</i>
Mrs. Chong Ho Pik Yu	2,013,573,887 <i>(note 1)</i>	<i>(note 3)</i>

OTHER INFORMATION *(Continued)*

SUBSTANTIAL SHAREHOLDERS *(Continued)*

notes:

1. Such interests represented 60.82% of the issued ordinary share capital owned by Gold Throne. Gold Throne is a wholly-owned subsidiary of CCIL.
2. Such interests arose through the interests in the relevant shares owned by Gold Throne. Evergain, a company beneficially owned by Mr. Alan Chuang, is entitled to exercise or control the exercise of one third or more of the voting power in general meetings of CCIL. Miss Candy Chuang is a director of CCIL and Evergain. Mr. Geoffrey Chuang Ka Kam is a director of Evergain.
3. Such interests arose by attribution through her spouse, Mr. Alan Chuang.

Save as disclosed above, as at 30th September, 2015, there was no other person who was recorded in the register of the Company as having interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which was required, pursuant to Section 336 of Part XV of the SFO, to be entered in the register referred to therein.

SHARE OPTION SCHEME

A share option scheme (the “Share Option Scheme”) of the Company had been adopted by the Company on 29th August, 2012. The purpose of the Share Option Scheme is to recognize the contribution of the eligible persons as defined in the scheme including, inter alia, any Directors, employees or business consultants of the Group (the “Eligible Persons”), to the growth of the Group and to further motivate the Eligible Persons to continue to contribute to the Group’s long-term prosperity. No options have been granted under the Share Option Scheme since its adoption.

OTHER INFORMATION *(Continued)*

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 on the Stock Exchange (the “Listing Rules”). 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.

An 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. Shek, Dr. Eddy Li Sau Hung and Mr. Yau Chi Ming and a Non-Executive Director, Mr. Dominic Lai.

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

UPDATE ON INFORMATION OF DIRECTOR PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Change in the information of Director since the date of the 2015 annual report of the Company which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules is set out below:

Mr. Shek is an independent non-executive director of Dorsett Hospitality International Limited (“Dorsett”). The shares of Dorsett were withdrawn from listing on the Stock Exchange as from the close of trading on 16th October, 2015.

DEALING IN THE COMPANY’S 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.

OTHER INFORMATION *(Continued)*

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.

DISCLOSURE UNDER RULE 13.21 OF THE LISTING RULES

1. The Group has entered into a facility letter, which still subsists as at the date of this report, with a bank for various term loans and trade related facilities up to HK\$92 million. Pursuant to the terms of the facility letter, CCIL is required to beneficially own no less than 38% of the issued share capital of the Company at all times during the subsistence of the banking facilities. As at 30th September, 2015, the balance outstanding was approximately HK\$10.7 million. The banking facilities are subject to annual review.
2. The Group has entered into a facility letter, which still subsists as at the date of this report, with a bank for various trade related facilities up to HK\$63 million. Pursuant to the terms of the facility letter, CCIL is required to maintain its shareholding in the Company for no less than 35% of the issued share capital of the Company at all times during the subsistence of the banking facilities. As at 30th September, 2015, the balance outstanding was approximately HK\$2.7 million. The banking facilities are subject to annual review.
3. The Group has entered into a facility letter, which still subsists as at the date of this report, with a bank for a term loan, an overdraft facility and trade related facilities up to HK\$98 million. Pursuant to the terms of the facility letter, CCIL is required to remain as the single largest shareholder of the Company at all times during the subsistence of the banking facilities. As at 30th September, 2015, the balance outstanding was approximately HK\$22.4 million. The banking facilities are subject to annual review.

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

Hong Kong, 24th November, 2015

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	19	(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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30th September, 2015

		30th September, 2015	31st March, 2015
	<i>Note</i>	HK\$'000	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
		<u>562,855</u>	<u>592,020</u>
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
		<u>423,437</u>	<u>322,850</u>
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	16	55,318	55,546
		<u>138,946</u>	<u>149,233</u>
Net current assets		<u>284,491</u>	<u>173,617</u>
Total assets less current liabilities		<u>847,346</u>	<u>765,637</u>

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

		30th September, 2015	31st March, 2015
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Equity			
Share capital	17	331,081	331,081
Reserves		311,743	224,930
		<hr/>	<hr/>
Shareholders' funds		642,824	556,011
Non-controlling interests		67,093	68,847
		<hr/>	<hr/>
Total equity		709,917	624,858
		<hr/>	<hr/>
Non-current liabilities			
Deferred income		3,096	2,391
Deferred taxation liabilities		134,333	138,388
		<hr/>	<hr/>
		137,429	140,779
		<hr/>	<hr/>
		847,346	765,637
		<hr/>	<hr/>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six months ended 30th September, 2015

	Note	2015 HK\$'000	2014 HK\$'000
Cash flows from operating activities			
Increase in financial assets at fair value through profit or loss		(101,724)	–
Others, net		(25,357)	(26,010)
Net cash used in operating activities		<u>(127,081)</u>	<u>(26,010)</u>
Cash flows from investing activities			
Proceeds from disposal of subsidiaries, net of cash and bank balances disposed of	19	120,899	69,304
Others, net		12,907	8,395
Net cash generated from investing activities		<u>133,806</u>	<u>77,699</u>
Cash flows from financing activities			
New bank borrowings		96,429	100,609
Repayment of bank borrowings		(96,143)	(94,323)
Redemption of convertible notes		–	(113,000)
Net cash generated from/(used in) financing activities		<u>286</u>	<u>(106,714)</u>
Net increase/(decrease) in cash and cash equivalents		7,011	(55,025)
Cash and cash equivalents at the beginning of the period (note)		99,442	68,917
Exchange difference on cash and cash equivalents		(77)	30
Cash and cash equivalents at the end of the period		<u>106,376</u>	<u>13,922</u>
Analysis of cash and cash equivalents			
Cash and bank balances		<u>106,376</u>	<u>13,922</u>

Note: The cash and cash equivalents as at 1st April, 2014 comprised of cash and bank balances of HK\$60,823,000 and cash and bank balances included in “Assets of disposal group classified as held for sale” of HK\$8,094,000.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 30th September, 2015

	Attributable to equity holders of the Company						Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Other reserves HK\$'000	Accumulated losses HK\$'000	Shareholders' funds HK\$'000	Non- controlling interests HK\$'000	
At 1st April, 2015	331,081	290,782	91,594	(157,446)	556,011	68,847	624,858
Profit/(loss) for the period	-	-	-	94,644	94,644	(348)	94,296
Other comprehensive loss:							
Net exchange differences	-	-	(7,718)	-	(7,718)	(1,406)	(9,124)
Realization of exchange reserve upon disposal of a subsidiary	-	-	(113)	-	(113)	-	(113)
Total comprehensive (loss)/income for the period	-	-	(7,831)	94,644	86,813	(1,754)	85,059
At 30th September, 2015	331,081	290,782	83,763	(62,802)	642,824	67,093	709,917
At 1st April, 2014	220,721	293,692	134,999	(184,329)	465,083	69,346	534,429
Profit/(loss) for the period	-	-	-	10,746	10,746	(258)	10,488
Other comprehensive income/(loss):							
Net exchange differences	-	-	3,007	-	3,007	552	3,559
Realization of exchange reserve upon disposal of subsidiaries	-	-	(180)	-	(180)	-	(180)
Total comprehensive income for the period	-	-	2,827	10,746	13,573	294	13,867
Expiration of conversion rights of convertible notes	-	-	(43,532)	43,532	-	-	-
At 30th September, 2014	220,721	293,692	94,294	(130,051)	478,656	69,640	548,296

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

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 consolidated 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 consolidated interim financial information should be read in conjunction with the consolidated 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 consolidated interim financial information are consistent with those used in the consolidated 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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

2. BASIS OF PREPARATION (Continued)

(a) Accounting policies for financial assets (Continued)

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 consolidated 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)

2. **BASIS OF PREPARATION** (Continued)

(c) **New standards and amendments to standards that are not yet effective** (Continued)

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 consolidated interim financial information does not include all financial risk management information and disclosures required in the consolidated annual financial statements, and it should be read in conjunction with the consolidated 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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

3. FINANCIAL RISK MANAGEMENT (Continued)

(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 financial 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 consolidated 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 consolidated 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 consolidated interim financial information are consistent with those used in the consolidated annual financial statements for the year ended 31st March, 2015.

5. REVENUES

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

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
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)	–
	<u>151,964</u>	<u>161,222</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

6. SEGMENT INFORMATION (Continued)

(a) Segment information by business lines (Continued)

	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	<u>31,062</u>	<u>10,191</u>	<u>283</u>	<u>41,536</u>
Operating profit/(loss)	11,648	7,846	(2,628)	16,866
Finance (costs)/income	<u>(1,900)</u>	<u>177</u>	<u>(2,270)</u>	<u>(3,993)</u>
Profit/(loss) before taxation	9,748	8,023	(4,898)	12,873
Taxation (charge)/credit	<u>(6,300)</u>	<u>3,915</u>	<u>–</u>	<u>(2,385)</u>
Profit/(loss) for the period	<u>3,448</u>	<u>11,938</u>	<u>(4,898)</u>	<u>10,488</u>
As at 31st March, 2015				
Total assets	<u>181,597</u>	<u>618,831</u>	<u>114,442</u>	<u>914,870</u>
Total liabilities	<u>87,187</u>	<u>147,279</u>	<u>55,546</u>	<u>290,012</u>
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	<u>558</u>	<u>–</u>	<u>–</u>	<u>558</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

6. SEGMENT INFORMATION (Continued)

(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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

7. OTHER INCOME AND NET GAIN

	2015 HK\$'000	2014 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 (notes i and 19)	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 and note 19.

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, the circular of the Company dated 13th May, 2015 and note 19.

- (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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

8. OPERATING PROFIT

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
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
	<u> </u>	<u> </u>

9. FINANCE COSTS

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

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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

10. TAXATION CREDIT/(CHARGE)

	2015 HK\$'000	2014 HK\$'000
Current income tax		
PRC withholding corporate income tax (note 19)	–	(6,300)
Write-back of provision in prior years	–	3,552
Deferred taxation	<u>717</u>	<u>363</u>
	<u><u>717</u></u>	<u><u>(2,385)</u></u>

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. DIVIDEND

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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

13. INVENTORIES

	30th September, 2015 HK\$'000	31st March, 2015 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 HK\$'000	31st March, 2015 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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

15. ACCOUNTS PAYABLE

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

	30th September, 2015 HK\$'000	31st March, 2015 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. BANK BORROWINGS

	30th September, 2015 HK\$'000	31st March, 2015 HK\$'000
Secured bank borrowings		
Short-term bank borrowings	–	24,871
Long-term bank borrowings	19,520	23,750
	19,520	48,621
Unsecured bank borrowings		
Short-term bank borrowings	35,798	4,045
Long-term bank borrowings	–	2,880
	35,798	6,925
Total bank borrowings	55,318	55,546

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

16. BANK BORROWINGS (Continued)

The long-term bank borrowings are analyzed as follows:

	30th September, 2015 HK\$'000	31st March, 2015 HK\$'000
Long-term bank borrowings wholly repayable within five years (<i>note</i>)	19,520	26,630
Current portion included in current liabilities		
Portion due within one year	(19,520)	(26,630)
	—	—

Note: Ignoring the effect of any repayment on demand clause.

The bank borrowings are repayable within the first year (the amounts due are based on the agreed scheduled dates set out in the loan agreements and ignore the effect of any repayment on demand clause) as at 30th September, 2015 and 31st March, 2015.

17. SHARE CAPITAL

	30th September, 2015 HK\$'000	31st March, 2015 HK\$'000
Authorized		
8,000,000,000 (31st March, 2015: 4,000,000,000) ordinary shares of HK\$0.1 each	800,000	400,000
1,000,000,000 series A preference shares of HK\$0.01 each	10,000	10,000
1,000,000,000 series B preference shares of HK\$0.01 each	10,000	10,000
	20,000	20,000
Issued and fully paid		
3,310,812,417 ordinary shares of HK\$0.1 each	331,081	331,081

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

18. 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).

19. DISPOSAL OF SUBSIDIARIES

	2015 HK\$'000	2014 HK\$'000
Consideration	123,406	78,219
Less: Transaction costs	<u>(2,507)</u>	<u>(821)</u>
Net proceeds	<u>120,899</u>	<u>77,398</u>
Net assets disposed of		
Prepaid lease payments	3,139	34,779
Property, plant and equipment	9,191	5,931
Deposits	–	40
Cash and bank balances	–	8,094
Accrued charges and other payables	<u>(36)</u>	<u>(634)</u>
Net assets disposed of	12,294	48,210
Realization of exchange reserve upon disposal of subsidiaries	<u>(113)</u>	<u>(180)</u>
	<u>12,181</u>	<u>48,030</u>
Gain on disposal subsidiaries before taxation (<i>note 7(i)</i>)	108,718	29,368
Less: PRC withholding corporate income tax (<i>note 10</i>)	<u>–</u>	<u>(6,300)</u>
Gain on disposal of subsidiaries after taxation	<u>108,718</u>	<u>23,068</u>
Analysis of net cash flow in respect of the disposal of subsidiaries is as follows:		
Net cash consideration received	120,899	77,398
Cash and bank balances disposed of	<u>–</u>	<u>(8,094)</u>
Net cash flow from disposal of subsidiaries	<u>120,899</u>	<u>69,304</u>

20. 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.

21. CAPITAL EXPENDITURE

For the six months ended 30th September, 2015, the Group incurred acquisition and development costs on property, plant and equipment and cemetery assets of HK\$3,004,000 (2014: HK\$6,244,000).