MIDAS

勤達集團國際有限公司*

Midas International Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1172)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31ST DECEMBER, 2008

The Board of Directors (the "Board") of Midas International Holdings Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31st December, 2008 together with the comparative figures for 2007 are as follows:

CONSOLIDATED INCOME STATEMENT

	Notes	**2008**	2007
		HK$'000	*HK$'000*
Turnover	*3*	**510,504**	705,443
Direct expenses		**(416,265)**	(569,790)
Gross profit		**94,239**	135,653
Other income		**21,333**	24,956
Increase in fair value of investment properties		**–**	11,145
Selling expenses		**(61,504)**	(65,836)
Administrative and general expenses		**(135,331)**	(119,525)
Impairment loss on property, plant and equipment		**(8,000)**	–
Impairment loss on goodwill on acquisition of subsidiaries		**(14,635)**	–
Finance costs		**(18,252)**	(10,863)
Loss before tax	*4*	**(122,150)**	(24,470)
Income tax credit (expenses)	*5*	**3,362**	(4,019)
Loss for the year		**(118,788)**	(28,489)
Attributable to:			
Ordinary shareholders of the Company		**(115,823)**	(28,328)
Minority interests		**(2,965)**	(161)
		(118,788)	(28,489)
Dividends	*6*	**–**	9,383
Basic loss per share	*7*	**HK(15.9) cents**	HK(5.1) cents

* *For identification purposes only*

CONSOLIDATED BALANCE SHEET

	Notes	2008 HK$'000	2007 HK$'000 (Restated)
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties		**500**	500
Prepaid lease payments		**51,775**	11,295
Property, plant and equipment		**187,830**	218,809
Goodwill		**–**	14,635
Deposits paid for acquisition of property, plant and equipment		**–**	305
Deposits paid for acquisition of land use rights		**4,054**	3,840
Cemetery assets		**503,015**	516,047
		747,174	765,431
Current assets			
Inventories		**50,082**	73,761
Accounts receivables	*8*	**110,710**	209,031
Deposits, prepayments and other receivables		**11,895**	10,749
Prepaid lease payments		**1,158**	300
Tax recoverable		**2,583**	3,495
Bank balances and cash		**100,008**	120,611
		276,436	417,947
Assets classified as held for sale		**–**	27,708
		276,436	445,655
Current liabilities			
Accounts payables	*9*	**63,667**	126,734
Accrued charges and other payables		**44,354**	63,711
Amount due to a minority shareholder		**1,366**	1,366
Deferred income		**54**	13
Tax payable		**6,549**	6,377
Bank borrowings		**87,436**	115,300
		203,426	313,501
Liabilities associated with assets classified as held for sale		**–**	1,963
		203,426	315,464
Net current assets		**73,010**	130,191
Total assets less current liabilities		**820,184**	895,622

	2008	2007
	HK$'000	*HK$'000*
		(Restated)
Non-current liabilities		
Loan note	**16,710**	40,922
Convertible notes	**105,818**	110,823
Deferred income	**2,223**	502
Deferred tax	**127,073**	131,004
	251,824	283,251
NET ASSETS	**568,360**	612,371
CAPITAL AND RESERVES		
Share capital	**94,551**	60,929
Reserves	**408,522**	477,278
Equity attributable to equity holders of the Company	**503,073**	538,207
Minority interests	**65,287**	74,164
TOTAL EQUITY	**568,360**	612,371

Notes:

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared on the historical cost basis except that investment properties are measured at fair values, as explained in the accounting policies set out below.

The consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and by the Hong Kong Companies Ordinance.

2. APPLICATION OF NEW AND REVISED HKFRS(s)

In the current year, the Group has applied the following amendments and interpretations ("new HKFRSs") issued by HKICPA, which are or have become effective.

HKAS 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC)-Int 11	HKFRS 2: Group and Treasury Share Transactions
HK(IFRIC)-Int 12	Service Concession Arrangements
HK(IFRIC)-Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs[1]
HKAS 1 (Revised)	Presentation of Financial Statements[2]
HKAS 23 (Revised)	Borrowing Costs[2]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[3]
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[2]
HKAS 39 (Amendment)	Eligible Hedged Items[3]
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate[2]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations[2]
HKFRS 3 (Revised)	Business Combinations[3]
HKFRS 8	Operating Segments[2]
HK(IFRIC)-Int 9 & HKAS 39 (Amendments)	Embedded Derivatives[4]
HK(IFRIC)-Int 13	Customer Loyalty Programmes[5]
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate[2]
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation[6]
HK(IFRIC)-Int 17	Distribution of Non-cash Assets to Owners[3]
HK(IFRIC)-Int 18	Transfers of Assets from Customers[7]

1 Effective for annual periods beginning on or after 1st January, 2009 except the amendments to HKFRS 5, effective for annual periods beginning on or after 1st July, 2009
2 Effective for annual periods beginning on or after 1st January, 2009
3 Effective for annual periods beginning on or after 1st July, 2009
4 Effective for annual periods ending on or after 30th June, 2009
5 Effective for annual periods beginning on or after 1st July, 2008
6 Effective for annual periods beginning on or after 1st October, 2008
7 Effective for transfers on or after 1st July, 2009

The adoption of HKFRS 3 (Revised) may affect the Group's accounting for business combination for which the acquisition date is on or after 1st January, 2010. HKAS 27 (Revised) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary. The Directors of the Company anticipate the other new or revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. SEGMENT INFORMATION

In 2008, the Group was organised into three operating divisions – printing, cemetery investment and property investment. These divisions are the basis on which the Group reports its primary segment information.

CONSOLIDATED INCOME STATEMENTS

2008

	Printing *HK$'000*	**Cemetery investment** *HK$'000*	**Property investment** *HK$'000*	**Consolidated** *HK$'000*
TURNOVER – external	**509,751**	**459**	**294**	**510,504**
SEGMENT RESULTS	**(67,443)**	**(35,749)**	**4,101**	**(99,091)**
Unallocated income				**1,640**
Unallocated expenses				**(6,447)**
Finance costs				**(18,252)**
Loss before tax				**(122,150)**
Income tax credit				**3,362**
Loss for the year				**(118,788)**

2007

	Printing *HK$'000*	Cemetery investment *HK$'000*	Property investment *HK$'000*	Consolidated *HK$'000*
TURNOVER – external	703,745	19	1,679	705,443
SEGMENT RESULTS	(30,414)	(1,921)	20,202	(12,133)
Unallocated income				3,580
Unallocated expenses				(5,054)
Finance costs				(10,863)
Loss before tax				(24,470)
Income tax expenses				(4,019)
Loss for the year				(28,489)

4. LOSS BEFORE TAX

	2008	2007
	HK$'000	*HK$'000*
Loss before tax has been arrived at after charging:		
Cost of inventories recognised as an expense	**412,752**	568,126
Depreciation and amortisation of property, plant and equipment	**30,902**	39,458
Amortisation of cemetery assets	**13,032**	523

5. INCOME TAX CREDIT (EXPENSES)

	2008	2007
	HK$'000	*HK$'000*
The credit (charge) comprises:		
Current tax:		
Hong Kong Profits Tax	**–**	(979)
The People's Republic of China (the "PRC") Enterprises Income Tax ("EIT")	**(218)**	(1,109)
	(218)	(2,088)
Over/(under) provision in prior years:		
Hong Kong Profits Tax	**47**	15
PRC EIT	**(398)**	(70)
	(351)	(55)
Deferred tax:		
Current year	**3,855**	(2,094)
Attributable to change in tax rate	**76**	218
	3,931	(1,876)
	3,362	(4,019)

Hong Kong

On 26th June, 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008, which reduced corporate profits tax rate from 17.5% to 16.5% effective from the year of assessment 2008/2009. Therefore, Hong Kong Profits Tax is calculated at 16.5% (2007: 17.5%) of the estimated assessable profit for the year.

No provision for Hong Kong Profits Tax has been made for the year ended 31st December, 2008 as the Group has available tax losses brought forward from prior years to offset the estimated assessable profits arising in Hong Kong.

PRC

For the year ended 31st December, 2007, certain PRC subsidiaries were regarded as production enterprises located in Dongguan which were subjected to Foreign EIT at a tax rate of 24%. Pursuant to the tax preference to the export oriented enterprises, they enjoyed a 50% reduction in tax rate which resulted in an applicable tax rate of 12% in 2007.

On 16th March, 2007, the PRC promulgated the Law of the PRC on EIT (the "New Law") by Order No. 63 of the President of the PRC. On 6th December, 2007, the State Council of the PRC issued Implementation Regulation of the New Law, pursuant to which, the 50% tax reduction preference enjoyed by the PRC subsidiaries was no longer applicable for the year ended 31st December, 2008 and the EIT rate was increased from 24% to 25% from 1st January, 2008 onwards.

The New Law also requires withholding tax upon distribution of profits earned by the PRC subsidiaries since 1st January, 2008. No deferred tax has been provided for in the consolidated financial statements in respect of withholding tax as the PRC subsidiaries did not generate any distributable profit during the year ended 31st December, 2008.

6. DIVIDENDS

	2008	2007
	HK$'000	*HK$'000*
Dividends paid to ordinary shareholders:		
2006 final dividend of HK1.2 cents per share	–	6,411
2007 interim dividend of HK0.5 cent per share	–	2,972
	–	9,383

No interim dividend (2007: HK0.5 cent) was declared or paid during the year ended 31st December, 2008.

The Board has determined not to recommend the payment of a final dividend for the year ended 31st December, 2008 (2007: Nil).

7. BASIC LOSS PER SHARE

The calculation of the basic loss per share is based on the loss for the year attributable to the ordinary shareholders of the Company of HK$115,823,000 (2007: HK$28,328,000) and on the weighted average number of 727,841,381 (2007: 559,670,815) shares in issue during the year.

The weighted average number of ordinary shares for the purpose of basic loss per share for both years has been adjusted for the rights issue on 16th June, 2008.

No diluted loss per share for the years ended 31st December, 2008 and 2007 is presented as the assumed conversion of convertible notes would result in a decrease in loss per share.

8. ACCOUNTS RECEIVABLES

The Group has a policy of allowing credit periods ranging from 30 days to 180 days (2007: 30 days to 180 days) to its customers.

The aged analysis of accounts receivables prepared on the basis of sales invoice date is as follows:

	2008	2007
	HK$'000	*HK$'000*
0 to 30 days	**31,131**	49,476
31 to 60 days	**23,745**	36,263
61 to 90 days	**14,588**	38,389
91 to 120 days	**18,219**	40,846
121 to 180 days	**14,572**	34,560
More than 180 days	**8,455**	9,497
	110,710	209,031

9. ACCOUNTS PAYABLES

The following is an aged analysis of accounts payables at the balance sheet date:

	2008	2007
	HK$'000	*HK$'000*
0 to 30 days	**16,429**	29,227
31 to 60 days	**15,483**	20,636
61 to 90 days	**14,433**	17,502
91 to 120 days	**7,556**	23,111
More than 120 days	**9,766**	36,258
	63,667	126,734

MANAGEMENT DISCUSSION ON RESULTS

The continued deterioration in the global market caused by the financial tsunami has adversely affected the Group's operating results in 2008 and the Group experienced the most difficult year in the history of the Group.

Printing business continued to be the major turnover contributor of the Group, accounting for over 99% of the Group's turnover. The global financial crisis has dampened the confidence of the consumer market and as a result of the uncertainty in the outlook of the global economy, most of our printing customers, in particular those in the United States and Europe, have sized down or postponed their orders. This has resulted in a significant drop in turnover of the Group for the year ended 31st December, 2008 by 27.6% to HK$510.5 million (2007: HK$705.4 million) as compared to that of last corresponding year. Turnover of the Group comprised revenue from printing business of HK$509.8 million (2007: HK$703.7 million), revenue from cemetery business of HK$0.5 million (2007: HK$0.02 million) and revenue from property investment business of HK$0.3 million (2007: HK$1.7 million).

In 2008, in view of the adverse market conditions, our printing customers in general have requested for reduction in selling prices which was inevitable. In order to cope with such a situation, our Group has streamlined our operation by cutting direct costs across the board and enforced efficiency by integrating operation functions and improving management system. With these efforts, our Group was able to maintain gross profit margin ratio at 18.5% (2007: 19.2%). However, due to the significant drop in turnover, gross profit for the year ended 31st December, 2008 decreased by 30.6% to HK$94.2 million (2007: HK$135.7 million).

Other income decreased to HK$21.3 million (2007: HK$25.0 million) mainly due to the reduction in profit generated from disposal of investment properties. Selling expenses decreased to HK$61.5 million (2007: HK$65.8 million) mainly due to a reduction in sale revenue. Administrative and general expenses increased to HK$135.3 million (2007: HK$119.5 million) mainly due to the provision for trade receivables amounting to HK$10.6 million (2007: HK$4.7 million) as a result of deteriorating financial positions of certain of our printing customers, loss on exchange amounting to HK$7.7 million (2007: HK$1.4 million) principally as a result of significant depreciation in values of foreign currencies such as Euro and Pound Sterling, payment to lay off redundancy staff and workers of HK$2.8 million (2007: Nil) and amortisation of cemetery assets amounting to HK$13.0 million (2007: HK$0.5 million). Disregarding the above exceptional items, administrative expenses in 2008 would be reduced to HK$101.2 million (2007: HK$112.9 million), representing a decrease of 10.4% compared to that of last corresponding year.

During the year, in view of the adverse market conditions, the Group has prudently made impairment loss on property, plant and equipment amounting to HK$8.0 million and goodwill on acquisition of cemetery assets amounting to HK$14.6 million. Finance costs increased to HK$18.3 million (2007: HK$10.9 million) mainly due to additional effective interest payable on convertible notes and loan note issued during 2007.

Taking all the above factors into account, the Group recorded a loss attributable to ordinary equity holders of the Company of HK$115.8 million (2007: HK$28.3 million). Loss per share amounted to HK15.9 cents (2007: HK5.1 cents). Since a large portion of the Group's loss was attributable to non-cash flow items, the following analysis illustrates the effect of the loss for the year on the overall cash flow of the Group. It can be seen from the analysis that on a cash flow basis, the Group's loss for the year is narrowed to HK$47.3 million.

	HK$'million
Loss for the year	118.8
Less: Non-cash flow items	
Depreciation and amortisation	(43.9)
Non-cash interest expenses for convertible notes and loan note	(7.2)
Realisation of loss due to early repayment of loan note	(3.6)
Impairment loss on property, plant and equipment	(8.0)
Impairment loss on goodwill on acquisition of subsidiaries	(14.6)
Non-cash flow profit included in other income	5.8
Adjusted cash flow loss	47.3

DIVIDENDS

In view of the loss incurred by the Group during the year, the Board has determined not to recommend the payment of a final dividend for the year ended 31st December, 2008. No interim dividend (2007: HK0.5 cent per ordinary share) was paid during the year.

BUSINESS REVIEW

(A) Printing Business

The printing business comprised book printing and paper product printing. Our customers are mainly multinational publishers and conglomerates in the United States, Europe, Australia, New Zealand and Hong Kong. Our products include board books, children books, premium gift products, greeting cards, stationery items and paper bags.

Turnover of the printing business of the Group during the year amounted to HK$509.8 million, representing a decrease of 27.6% when compared with that of last year. The worldwide economic conditions in 2008 had been deteriorating, including our customers' major markets in the United States and Europe. These unfavorable economic conditions dampened our consumers' purchasing sentiment and adversely affected our business and revenue. To tackle this situation, the Group has taken proactive measures including strengthening the marketing effort, tightening cost control and improving operation efficiency.

In the marketing effort aspects, the Group will continue to strengthen our marketing team that have committed themselves to provide quality services to customers. We will not only pay more frequent visits to our existing customers, we will also focus on exploring new customers worldwide by participating in major book fairs. In particular, the Group will concentrate on developing clients with low season sales orders so as to reduce its seasonal dependence. At the same time, we will continue to exercise extreme cautiousness in extending credit to our clients to avoid bad debts. Since the fourth quarter of 2008, we have only accepted orders from customers with good credit performance or with export insurance coverage or cash deposits in advance.

In the cost control aspects, the Group has since the beginning of 2008 implemented a series of cost saving measures. The Group has reviewed its operation, logistics and procurement flows with a view to save costs and, as a result of such review, several supporting functions have been integrated to substantially reduce our headcount on administrative staff and workers. We have streamlined the hand assembly operations through reorganising production processes and retraining workers, and strengthened our quality control team to improve production efficiency and yield. In addition, the Group has implemented a new ERP (Enterprises Resources Planning) system which will further enhance the Group's operation efficiency by providing real-time management information and executing just-in-time production management. As a result, the current overhead of the Group has been reduced by 45% as compared to that at the beginning of 2008.

In the operation efficiency aspects, the Group has undergone a production streamline process in our two factories in Changan, Dongguan and Boluo, Huizhou to increase cost effectiveness. We have relocated some machineries from one plant to the other to align our production processes. The target of this production realignment is to enable us to optimise the use of our production capacity and hence reducing overtime and out-sourcing in peak seasons.

By adopting all of the above measures, the Group has effectively maintained the gross profit margin ratio in 2008. We are confident that these efforts will further improve the results of the printing operation of the Group in the future.

In 2008, the Group has completed the acquisition of an industrial land site located at Coastal Industry Zone in Shatian, Dongguan. It covers an area of approximately 78,000 sq. m. which is capable of developing into a factory complex with total gross floor area of 120,000 sq. m.. We have completed the design layout and fence work of the new factory. After full recovery of economic environment, the Group will pursue the factory expansion plan to meet increasing production demand. Upon completion of the first phase of development works in the new Dongguan plant in Shatian, the Group will gradually vacate the Dongguan plant in Changan for future development.

(B) Property Business

(i) Cemetery Investment Operations

Cemetery investment is another focus of business development of the Group. In the sales and marketing aspects, we have now established 1 sales office in Hong Kong and 5 sales offices in Guangzhou, Foshan, Zhaoqing and Sihui. In addition, we have restructured and strengthened our sales team and will put more effort to develop the PRC market. We have established an extensive agency network in Hong Kong and the PRC and will extend to other regions to promote our services to overseas Chinese in those areas.

For the sake of expanding our market presence, the Group has implemented a series of promotion campaigns including regular tours of the cemetery for both the general public and members of the burial related organisations. Furthermore, the Group has also organised 7 large scale blessing ceremonies in the cemetery, which hosted a total of over 5,000 people. Such guided tours and events will continue to be held in the future to boost our publicity. In April 2008, the Group has participated in the Asia Funeral Expo 2008 in Macau, which was one of Asia's major exhibitions and conferences in the funeral field. Through this Expo, the Group has successfully extended its market presence.

In 2009, the Group will concentrate on joint promotions with a number of charitable organisations and foundations in Hong Kong and the PRC. We will cooperate with them and sponsor events such as health related lectures and activities. Through these kinds of campaigns, we can contact our target elderly and build up awareness among them. After having established a caring relationship, we will introduce and promote our services to them.

A new highway linking Guangzhou and Hezhou that bypasses Sihui is now under construction and is expected to be completed by the end of 2009. This highway will shorten the travelling time to about 1 hour from Guangzhou to Sihui where our cemetery is located. The Group expects that this improvement in infrastructure will enhance the accessibility and demands of our graveyards, in particular, from the Guangzhou region.

In the development aspects, the Group has commenced detailed design work for the development of the remaining 418 mu land. In view of volatility in the economy and consumer market, the Group will cautiously reappraise the development time frame of the project.

(ii) Property Investment Operations

Rental income from the Group's investment properties in the PRC during the year amounted to HK$0.3 million (2007: HK$1.7 million). During the year, the Group has disposed of substantially all of its investment properties in the PRC and accordingly, the Group has ceased to hold any material interests in property investment in the PRC.

PROSPECTS

The operating environment for the printing industry will continue to be difficult in 2009. In spite of the challenging macro-economic environment, the Group enters 2009 with cautious optimism. While fully cognizant of the economic difficulty and uncertainty, the Group is confident to tackle the challenges ahead on the strength of our experience in the printing industry and our commitment to provide quality total printing solutions to customers.

The Group has diversified into the business of development and operation of cemetery in the PRC. Based on the sales network and marketing efforts, we are confident that this investment will contribute steady revenue to the Group and its performance will continue to improve.

LIQUIDITY AND FINANCIAL POSITIONS

As a result of global financial crisis, the year of 2008 was a year of tight liquidity. In view of this, the Group has during the year adopted a very cautious approach in managing its working capital and cash resources. The Group not only reduced its inventories to the lowest level possible by implementing advanced production planning, the Group also reduced the average collection period for our trade receivables by shortening the credit period and strengthening the collection force. By so doing, the Group was able to minimise its working capital requirement while maintaining a healthy cash position. As at 31st December, 2008, cash and bank balances of the Group amounted to HK$100.0 million (2007: HK$120.6 million) whereas bank borrowings as at the same date amounted to HK$87.4 million (2007: HK$115.3 million). The calculation of net debt to equity ratio is not applicable as the Group has surplus cash of HK$12.6 million over its bank borrowings. Most of the Group's cash, bank balances and bank borrowings were denominated in Hong Kong dollars and Renminbi. Interest on bank borrowings was charged at variable commercial rates prevailing in Hong Kong and the PRC.

During the year, convertible notes amounting to HK$12.6 million had been converted into shares and as a result, approximately 31.6 million new shares of the Company were issued. In January 2009, the holder of a convertible note of the Company has agreed to extend the repayment date of the convertible note amounting to HK$100.0 million by 3 years to September 2013. During the year and subsequent to the balance sheet date, to take advantage of the discount on early redemption of the loan note, the Company has redeemed HK$40.0 million of the loan note before its maturity date. Accordingly, as at the date of this report, outstanding convertible notes and loan note of the Company have been reduced to HK$126.7 million. It can be seen from the table below that majority of notes is repayable in 2013.

Outstanding notes	Due date for conversion	Due date for repayment	Amount in HK$'million
Convertible Note 2011	June 2011	June 2011	16.7
Convertible Note 2013	September 2010	September 2013	100.0
Loan Note 2012	Not applicable	September 2012	10.0

In June 2008, the Group raised net proceeds of approximately HK$73.5 million by way of a 1 for 2 rights issue to existing shareholders. The rights issue has solidified the Group's financial strength for its printing and cemetery businesses and the net proceeds will be used to finance the ongoing development of the printing and cemetery operations of the Group.

Net asset value of the Group as at 31st December, 2008 amounted to HK$503.1 million, equivalent to HK$0.53 per share.

CORPORATE GOVERNANCE

The Company has complied throughout the year ended 31st December, 2008 with the code provisions set out in Appendix 14 – Code on Corporate Governance Practices (the "CG Code") of the Listing Rules.

On 15th January, 2009, Mr. Kwong Tin Lap relinquished his role as the Managing Director of the Company, but remains as an Executive Director of the Company, and Mr. Hung Ting Ho, Richard ("Mr. Hung") had been re-designated as the Chairman and Managing Director of the Company. Since then, Mr. Hung takes up both roles as the Chairman and the Chief Executive Officer, being the Chairman and Managing Director of the Company and the roles of the chairman and the chief executive officer are not separated pursuant to Code A.2.1 of the CG Code. 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.

The Audit Committee has been established by the Company to review and supervise the Company's financial reporting process, internal controls and review the relationship with the auditors. The Audit Committee has held meetings in accordance with the relevant requirements and has reviewed with the Directors and Auditors, Messrs. Deloitte Touche Tohmatsu, the accounting principles and practices adopted by the Group, the internal control and financial reporting process and the Company's consolidated financial statements for the year ended 31st December, 2008. The current members of the Audit Committee are three Independent Non-Executive Directors, Mr. Shek Lai Him, Abraham, Dr. Li Sau Hung, Eddy and Mr. Yau Chi Ming and a Non-Executive Director, Mr. Dominic Lai. The Audit Committee has recommended the re-appointment of the Auditors and approved the remuneration of the Auditors.

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

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

In light of the recent amendments to the Listing Rules relating to, among other things, the use of websites for communication with shareholders and voting method at general meetings which came into effect on 1st January, 2009, the Board proposes to seek the approval of shareholders at the forthcoming annual general meeting of the Company for the amendments of its Articles of Association to ensure consistency with the relevant amended provisions of the Listing Rules.

A circular containing, among other matters, details of the proposed amendments to the Articles of Association of the Company will be dispatched to shareholders as soon as practicable.

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

During the year ended 31st December, 2008, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

STAFF

As at 31st December, 2008, the Group, including its subcontracting processing plants, employed approximately 2,100 staff and workers, with their remuneration normally reviewed annually. The Group also provides its staff with other benefits including year-end double-pay, discretionary bonus, contributory provident fund, share options and medical insurance. Staff training is also provided as and when required.

PUBLICATION OF RESULTS ON THE STOCK EXCHANGE'S WEBSITE

The annual report of the Company for the year ended 31st December, 2008 containing all applicable information required by paragraph 45 of Appendix 16 of the Listing Rules will be published on the website of the Stock Exchange in due course.

GENERAL

As at the date of this announcement, Mr. Hung Ting Ho, Richard, Mr. Kwong Tin Lap, Mr. Kwok Chi Fai, Mr. Wong Chi Sing and Mr. Chuang Ka Pun, Albert are Executive Directors, Mr. Dominic Lai is a Non-Executive Director, Mr. Shek Lai Him, Abraham, Dr. Li Sau Hung, Eddy and Mr. Yau Chi Ming are Independent Non-Executive Directors of the Company.

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

Hong Kong, 21st April, 2009