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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)

**PROPOSALS INVOLVING
GENERAL MANDATES TO REPURCHASE AND
ISSUE ORDINARY SHARES,
RE-ELECTION OF RETIRING DIRECTORS AND
REFRESHMENT OF SHARE OPTION SCHEME MANDATE LIMIT**

A notice convening the annual general meeting of Midas International Holdings Limited (the "Company") to be held at 25th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong on Wednesday, 2nd June, 2010 at 10:00 a.m. is set out on pages 105 to 108 of the annual report of the Company for the year ended 31st December, 2009 despatched together with this circular. Whether or not you intend to attend the said meeting, you are requested to complete the proxy form enclosed in the said annual report in accordance with the instructions printed thereon and return the same to the head office and principal place of business of the Company at 1st Floor, 100 Texaco Road, Tsuen Wan, New Territories, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the said meeting.

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Annual General Meeting”	the annual general meeting of the Company to be held on Wednesday, 2nd June, 2010 at 10:00 a.m., the notice of which is set out on pages 105 to 108 of the annual report of the Company for the year ended 31st December, 2009 despatched together with this circular
“Articles of Association”	the articles of association of the Company
“Company”	Midas International Holdings Limited, a company incorporated in the Cayman Islands, the Shares of which are listed on the Stock Exchange
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Latest Practicable Date”	26th April, 2010, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Proposal”	the proposal to approve the Repurchase Resolution to grant a general mandate to the Directors to exercise all the powers of the Company to repurchase during the relevant period Shares up to a maximum of 10% of the Shares in the issued and fully-paid up share capital of the Company at the date of passing the Repurchase Resolution
“Repurchase Resolution”	the ordinary resolution granting to the Directors a general mandate to exercise all the powers of the Company to repurchase during the relevant period Shares up to a maximum of 10% of the Shares in the issued and fully-paid up share capital of the Company at the date of passing the Repurchase Resolution to be proposed at the Annual General Meeting as referred to in resolution No. 4A of the notice of the Annual General Meeting

DEFINITIONS

“Scheme Mandate Limit”	10% of the issued share capital of the Company as at the date of adoption of the Share Option Scheme/date of approval of the refreshment of the scheme mandate limit (as the case may be) which may be issued upon exercise of all options granted/to be granted under the Share Option Scheme and any other scheme(s) of the Company
“Securities and Futures Ordinance”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 13th December, 2001
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“HK\$”	the Hong Kong dollars



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)

Executive Directors:

Mr. HUNG Ting Ho, Richard
(Chairman and Managing Director)
Mr. KWOK Chi Fai *(Deputy Managing Director)*
Mr. CHUANG Ka Pun, Albert

Non-Executive Director:

Mr. Dominic LAI

Independent Non-Executive Directors:

Mr. SHEK Lai Him, Abraham, S.B.S., J.P.
Dr. LI Sau Hung, Eddy
Mr. YAU Chi Ming

Registered office:

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

*Head office and principal
place of business:*

1st Floor, 100 Texaco Road
Tsuen Wan
New Territories
Hong Kong

30th April, 2010

To Shareholders,

Dear Sir or Madam,

INTRODUCTION

It is proposed that at the Annual General Meeting of the Company to be held on Wednesday, 2nd June, 2010 resolutions will be proposed, *inter alia*, (i) to grant to the Directors a general mandate to repurchase Shares, (ii) to grant to the Directors a general mandate to allot, issue and deal with Shares, (iii) to re-elect retiring Directors and (iv) to refresh the Scheme Mandate Limit.

GENERAL MANDATE TO REPURCHASE SHARES

It will be proposed at the Annual General Meeting the Repurchase Resolution and the Directors propose to seek your approval thereof.

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,035,604,139 Shares.

* For identification purpose only

Subject to the passing of the Repurchase Resolution and on the basis that no further Shares would be issued or repurchased prior to the Annual General Meeting, the Directors would be allowed under the Repurchase Resolution to repurchase a maximum of 103,560,413 Shares (being 10% of the Shares in issue) during the period up to (i) the conclusion of next annual general meeting of the Company or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable law to be held or (iii) the revocation or variation of authority given under the Repurchase Resolution by an ordinary resolution of the Shareholders in general meeting of the Company, whichever is the earliest.

GENERAL MANDATE TO ISSUE SHARES

It will also be proposed at the Annual General Meeting two ordinary resolutions, which are set out in resolutions Nos. 4B and 4C of the notice of the Annual General Meeting, respectively granting to the Directors a general mandate to allot, issue and deal with Shares not exceeding 20% of the Shares in the issued share capital of the Company at the date of passing the resolution and adding to such general mandate so granted to the Directors any Shares representing the aggregate nominal amount of the Shares repurchased by the Company after the granting of the general mandate to repurchase Shares under the Repurchase Resolution.

REASONS FOR REPURCHASES

The Directors believe that the Repurchase Proposal is in the best interests of the Company and its Shareholders. Repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and its Shareholders.

FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum of Association and the Articles of Association and the laws of the Cayman Islands which provide that the amount of capital repaid in connection with Share repurchases may only be paid out of either the capital paid up on the relevant Shares, or the profits that would otherwise be available for dividend, or the proceeds of a fresh issue of Shares made for the purpose. The amount of premium payable on repurchase may only be paid out of either the profit that would otherwise be available for dividend or out of the share premium or contributed surplus accounts of the Company.

DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates, have any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Proposal if such is approved by the Shareholders.

No connected persons (as defined in the Listing Rules) of the Company have notified the Company that they have a present intention to sell any Shares to the Company or its subsidiaries, or have undertaken not to do so, in the event that the Repurchase Proposal is approved by the Shareholders.

UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the Repurchase Resolution in accordance with the Listing Rules, all applicable laws of the Cayman Islands and the regulations set out in the Memorandum of Association of the Company and the Articles of Association.

There might be an adverse impact on the working capital or gearing position of the Company as compared with the positions disclosed in the Company's annual report for the year ended 31st December, 2009 in the event that the Repurchase Resolution were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Resolution to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the Company's gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

TAKEOVERS CODE

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Resolution, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder, or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, Gold Throne Finance Limited ("Gold Throne"), a wholly owned subsidiary of Chuang's Consortium International Limited, is interested in 457,278,947 Shares, representing approximately 44.16% of the issued Shares. In the event that the Directors should exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the Repurchase Resolution, the aggregate shareholding of Gold Throne would increase from 44.16% to approximately 49.06% of the Shares in the issued share capital of the Company. Such an increase would give rise to an obligation to make a mandatory offer under Rule 26.1 of the Takeovers Code.

The Directors have no intention to exercise the general authority under the Repurchase Resolution to repurchase Shares to such an extent as would result in such an obligation arising. Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases made pursuant to the Repurchase Resolution.

SHARES REPURCHASE MADE BY THE COMPANY

There was no repurchase made by the Company, or any of its subsidiaries, of any Shares (whether on the Stock Exchange or otherwise) during the six months preceding the Latest Practicable Date.

SHARE PRICES

The highest and lowest prices at which the Shares had been traded on the Stock Exchange during each month from April 2009 up to and including the Latest Practicable Date were as follows:

Month	Per Share Highest Traded Price (HK\$)	Per Share Lowest Traded Price (HK\$)
2009		
April	0.140	0.098
May	0.160	0.110
June	0.260	0.142
July	0.209	0.158
August	0.220	0.174
September	0.380	0.161
October	0.265	0.201
November	0.260	0.210
December	0.241	0.208
2010		
January	0.270	0.220
February	0.260	0.220
March	0.310	0.230
April (up to and including the Latest Practicable Date)	0.325	0.245

PROPOSED DIRECTORS FOR RE-ELECTION

In accordance with Article 116 of the Articles of Association, two Directors, Dr. LI Sau Hung, Eddy and Mr. YAU Chi Ming, will retire and, being eligible, will offer themselves for re-election at the Annual General Meeting.

Set out below are the details of the two Directors proposed to be re-elected:

Dr. LI Sau Hung, Eddy (“Dr. LI”), aged 55, was appointed as an Independent Non-Executive Director of the Company in 2004. He has over 25 years of experience in the manufacturing business. He is a member of the National Committee of The Chinese People’s Political Consultative Conference and the president of Hong Kong Economic & Trade Association. Dr. LI holds a Master degree in Business Administration and a Ph.D. degree in Economics. He was the 1991 awardee of The Ten Outstanding Young Persons and the 1993 awardee of Young Industrialists of Hong Kong. He is currently an Independent Non-Executive Director of Oriental Watch Holdings Limited and Man Yue International Holdings Limited, both are listed on the Stock Exchange. In the last three years, he had been an Independent Non-Executive Director of Jackin International Holdings Limited, a company listed on the Stock Exchange.

Mr. YAU Chi Ming (“Mr. YAU”), aged 56, was appointed as an Independent Non-Executive Director of the Company in 2004. He is a practising certified public accountant in Hong Kong with over 25 years of experience. He is a fellow member of the Association of Chartered Certified Accountants in the United Kingdom and an associate member of the Hong Kong Institute of Certified Public Accountants, the Institute of Chartered Secretaries and Administrators in the United Kingdom and the Certified General Accountants’ Association in Canada. Mr. YAU did not hold any directorship in any other listed company over the last three years.

Each of Dr. LI and Mr. YAU, being the Independent Non-Executive Director, has a three years’ service contract with the Company subject to re-election. Total emolument for the year ended 31st December, 2009 for each of Dr. LI and Mr. YAU was HK\$80,000 which was determined by reference to his duties and experience and related payments made by the Company in previous years.

All the Directors mentioned above are subject to retirement by rotation and re-election at least once every three years pursuant to Appendix 14 of the Listing Rules and the Articles of Association of the Company.

Both Dr. LI and Mr. YAU have no interest in the Shares within the meaning of Part XV of the Securities and Futures Ordinance and do not have any relationship with any other Directors, senior management, substantial or controlling shareholders of the Company, and there is no information that needs to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules, and there is no matter that needs to be brought to the attention of the Shareholders.

REFRESHMENT OF THE SCHEME MANDATE LIMIT

The Board also wishes to take this opportunity to seek the approval of the Shareholders to refresh the Scheme Mandate Limit.

The Share Option Scheme was adopted by the Company on 13th December, 2001. Under the Share Option Scheme, the Company may grant options to subscribe for up to 36,529,006 Shares, representing 10% of the Shares in issue as at the date of adoption of the Share Option Scheme. Although no options have been granted under the Share Option Scheme since its adoption, the issued share capital of the Company has increased from 365,290,068 Shares on the date of adoption of the Share Option Scheme to 1,035,604,139 Shares as at the Latest Practicable Date. If the existing Scheme Mandate Limit is not refreshed, the Company would only be allowed to grant options to subscribe for up to 36,529,006 Shares, representing approximately 3.53% of the issued share capital of the Company as at the Latest Practicable Date. In order to provide the Company with greater flexibility in granting options to eligible person(s) under the Share Option Scheme, the Board decides to seek the approval of the Shareholders to refresh the Scheme Mandate Limit so that the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other scheme(s) of the Company shall not exceed 10% of the Shares in issue as at the date of passing the relevant resolution at the Annual General Meeting. Options previously granted under the Share Option Scheme and any other scheme(s) of the Company (including options outstanding, cancelled or lapsed in accordance with the relevant scheme rules or exercised options) will not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed.

If the Scheme Mandate Limit is refreshed, on the basis of 1,035,604,139 Shares in issue as at the Latest Practicable Date and assuming that no Shares are issued or repurchased prior to the Annual General Meeting, the Board will be able to grant options to subscribe for up to 103,560,413 Shares, which do not include options that are outstanding, cancelled or lapsed as at the date of the Annual General Meeting.

Pursuant to the Listing Rules, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other scheme(s) of the Company at any time must not in aggregate exceed 30% of the Shares in issue from time to time. No options shall be granted under any scheme(s) of the Company if this will result in the 30% limit being exceeded.

The refreshment of the Scheme Mandate Limit is conditional upon:

- (a) the passing of an ordinary resolution to approve the refreshment of the Scheme Mandate Limit by the Shareholders at the Annual General Meeting; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares (representing a maximum of 10% of the Shares in issue as at the date of the Annual General Meeting approving the refreshment of the Scheme Mandate Limit) which may fall to be issued pursuant to the exercise of options granted under the Share Option Scheme and any other scheme(s) of the Company.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

ACTION TO BE TAKEN

A proxy form for use at the Annual General Meeting is enclosed in the annual report of the Company for the year ended 31st December, 2009 despatched together with this circular. Whether or not you intend to attend the Annual General Meeting, you are requested to complete the said proxy form and return it to the head office and principal place of business of the Company at 1st Floor, 100 Texaco Road, Tsuen Wan, New Territories, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting. Completion and return of the proxy form will not prevent you from attending and voting at the Annual General Meeting if you so wish.

VOTING AT THE ANNUAL GENERAL MEETING

Pursuant to Article 80 of the Articles of Association and Rule 13.39(4) of the Listing Rules, any vote of Shareholders at the Annual General Meeting will be taken by poll.

RECOMMENDATIONS

The Directors believe that the Repurchase Proposal, the general mandate to be granted to the Directors to issue new Shares, the re-election of the retiring Directors and the refreshment of the Scheme Mandate Limit are all in the best interests of the Company and its Shareholders. Accordingly, the Directors recommend that all Shareholders should vote in favour of the resolutions set out in the notice of the Annual General Meeting as they intend to do themselves in respect of their own holdings.

Yours faithfully,
For and on behalf of
Midas International Holdings Limited
HUNG Ting Ho, Richard
Chairman and Managing Director