MIDAS

INTERNATIONAL HOLDINGS LIMITED

INTERIM REPORT 2009

(Incorporated in the Cayman Islands with limited liability) Stock Code: 1172

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RESULTS

The Board of the Directors (the "Directors") of Midas International Holdings Limited (the "Company") announces that the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30th June, 2009 together with the comparative figures for the previous period are as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30TH JUNE, 2009

	NOTES	For the six months ended 30th June, 2009 HK$'000 (unaudited)	2008 HK$'000 (unaudited)
Turnover	3	**130,860**	244,268
Direct expenses		**(97,707)**	(199,789)
Gross profit		**33,153**	44,479
Other income		**27,705**	13,236
Selling expenses		**(16,634)**	(29,943)
Administrative and general expenses		**(47,883)**	(56,855)
Finance costs		**(7,135)**	(7,564)
Loss before tax	4	**(10,794)**	(36,647)
Income tax credit	5	**814**	877
Loss for the period		**(9,980)**	(35,770)
Other comprehensive income			
Exchange difference arising on translation of foreign operations		**–**	1,604
Translation reserve realised upon disposal of subsidiaries		**–**	(3,272)
Other comprehensive income for the period		**–**	(1,668)
Total comprehensive income for the period		**(9,980)**	(37,438)
Loss for the period attributable to:			
Owners of the Company		**(9,184)**	(34,826)
Minority interests		**(796)**	(944)
		(9,980)	(35,770)
Total comprehensive income attributable to:			
Owners of the Company		**(9,184)**	(36,494)
Minority interests		**(796)**	(944)
		(9,980)	(37,438)
Loss per share	7		
Basic		**HK(1.0) cent**	HK(5.5) cents
Diluted		**HK(1.0) cent**	HK(5.5) cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30TH JUNE, 2009

	NOTES	**30th June, 2009 HK$'000 (unaudited)**	31st December, 2008 HK$'000 (restated)
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties		**500**	500
Prepaid lease payments	*8*	**50,781**	51,355
Property, plant and equipment	*8*	**160,246**	169,186
Deposits paid for acquisition of land use rights		**4,054**	4,054
Cemetery assets	*9*	**421,018**	425,384
		636,599	650,479
Current assets			
Inventories	*10*	**142,928**	146,787
Accounts receivables	*11*	**87,861**	110,710
Deposits, prepayments and other receivables		**8,369**	11,895
Prepaid lease payments	*8*	**1,148**	1,148
Tax recoverable		**777**	2,583
Bank balances and cash		**78,768**	100,008
		319,851	373,131
Current liabilities			
Accounts payables	*12*	**44,019**	63,667
Accrued charges and other payables		**45,027**	44,354
Amount due to a minority shareholder		**1,366**	1,366
Deferred income		**10**	54
Tax payable		**7,150**	6,549
Bank borrowings	*13*	**80,023**	87,436
		177,595	203,426
Net current assets		**142,256**	169,705
Total assets less current liabilities		**778,855**	820,184

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(cont'd)*

AT 30TH JUNE, 2009

	NOTES	30th June, 2009 HK$'000 (unaudited)	31st December, 2008 HK$'000 (restated)
Non-current liabilities			
Loan note		**8,861**	16,710
Convertible notes	14	**85,964**	105,818
Deferred income		**306**	2,223
Deferred tax		**125,344**	127,073
		220,475	251,824
NET ASSETS		**558,380**	568,360
CAPITAL AND RESERVES			
Share capital	15	**94,551**	94,551
Reserves		**399,338**	408,522
Equity attributable to owners of the Company		**493,889**	503,073
Minority interests		**64,491**	65,287
TOTAL EQUITY		**558,380**	568,360

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30TH JUNE, 2009

	Share capital	Share premium	Other reserve	Merger reserve	Translation reserve	Convertible notes equity reserve	Accumulated profits	Attributable to owners of the Company	Minority interests	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1st January, 2008 (audited)	60,929	213,904	4,000	24,000	4,194	41,167	190,013	538,207	74,164	612,371
Exchange differences arising on translation of foreign operations	–	–	–	–	1,604	–	–	1,604	–	1,604
Reserve realised upon disposal of subsidiaries	–	–	–	–	(3,272)	–	–	(3,272)	–	(3,272)
Loss for the period	–	–	–	–	–	–	(34,826)	(34,826)	(944)	(35,770)
Total comprehensive income for the period	–	–	–	–	(1,668)	–	(34,826)	(36,494)	(944)	(37,438)
Issue of shares	30,465	45,697	–	–	–	–	–	76,162	–	76,162
Transaction costs attributable to issue of shares	–	(2,670)	–	–	–	–	–	(2,670)	–	(2,670)
At 30th June, 2008 (unaudited)	91,394	256,931	4,000	24,000	2,526	41,167	155,187	575,205	73,220	648,425
Exchange differences arising on translation of foreign operations	–	–	–	–	(2,379)	–	–	(2,379)	(112)	(2,491)
Loss for the period	–	–	–	–	–	–	(80,997)	(80,997)	(2,021)	(83,018)
Total comprehensive income for the period	–	–	–	–	(2,379)	–	(80,997)	(83,376)	(2,133)	(85,509)
Acquisition of additional interests in subsidiaries from minority interests	–	–	–	–	–	–	–	–	(5,800)	(5,800)
Conversion of convertible notes	3,157	10,497	–	–	–	(2,410)	–	11,244	–	11,244
At 31st December, 2008 (audited)	94,551	267,428	4,000	24,000	147	38,757	74,190	503,073	65,287	568,360
Loss for the period and total comprehensive income for the period	–	–	–	–	–	–	(9,184)	(9,184)	(796)	(9,980)
At 30th June, 2009 (unaudited)	94,551	267,428	4,000	24,000	147	38,757	65,006	493,889	64,491	558,380

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30TH JUNE, 2009

	For the six months ended 30th June,	
	2009	2008
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Net cash used in operating activities	**(716)**	(28,939)
Investing activities		
Acquisition of a subsidiary *(note 8)*	**–**	(15,757)
Disposal of a subsidiary *(note 16)*	**–**	(619)
Purchase of property, plant and equipment	**(3,629)**	(4,789)
Other investing cash flows	**1,851**	2,318
Net cash used in investing activities	**(1,778)**	(18,847)
Financing activities		
Net proceeds from issue of new shares	**–**	73,492
New bank loans raised	**66,878**	41,206
Repayment of bank loans	**(74,291)**	(38,191)
Repayment of loan note	**(9,700)**	–
Other financing activities	**(1,633)**	(2,371)
Net cash (used in) from financing activities	**(18,746)**	74,136
Net (decrease) increase in cash and cash equivalents	**(21,240)**	26,350
Cash and cash equivalents at beginning of the period	**100,008**	120,611
Cash and cash equivalents at end of the period represented by bank balances and cash	**78,768**	146,961

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30TH JUNE, 2009

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties, which are measured at fair values.

Except as described below, the accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31st December, 2008.

Change in accounting policy in relation to the conveyance of cemetery burial right

Accounting policy applied for the year ended 31st December, 2008

Revenue recognition

In previous years, revenue from grave plots and niches for cremation urns was regarded as a long-term contract to provide burial services and the amount received for such transaction was recognised as revenue on a straight-line basis over the duration of the right which was conveyed to the buyers, which is the same duration as the remaining term of the cemetery land. Amount received in excess of the amount recognised was accounted for as deferred income. Expenses directly attributable to such deferred income were similarly deferred.

2. PRINCIPAL ACCOUNTING POLICIES *(cont'd)*

Change in accounting policy in relation to the conveyance of cemetery burial right *(cont'd)*

Revised accounting policy for the period ended 30th June, 2009

As a result of the adoption of Hong Kong Financial Reporting Standard ("HKFRS") 8 Operating Segments with effect from 1st January, 2009, management of the Group has re-assessed the substance of the transactions for conveyance of cemetery burial rights taking into consideration the manner in which the chief operating decision maker (i.e. Chairman and Managing Director of the Company) assessed and measured the performance of the Group's cemetery operation. Consistent with the business model which management developed at the time when the cemetery operation was acquired, management believes that the conveyance of a right to use grave plots and niches for cremation urns is in substance a sale of a portion of the Group's cemetery assets. Management has also considered the management service arrangement in respect of the cemetery operation. From the agreement with the customers, management fee would be received by the Group for management services to be provided for the next twenty years. Upon expiry of each twenty years, any failure to pay the management fee for the next cycle will result in the customers giving up their burial rights on the respective grave plots or niches for cremation urns. As the amount of management fee is insignificant to the sales transaction, it is considered that substantial risks and rewards of ownership of the grave plots and niches for cremation urns have been passed to the customers upon execution of the agreements. Accordingly, management of the Group are of the opinion that it is more appropriate to account for such conveyance as sale of the grave plots and niches for cremation urns rather than as a long-term contract for the provision of services. Therefore, the Group has revised its accounting policy in relation to its cemetery operation as follows:

Revenue recognition

A conveyance of the right to use grave plots and niches for cremation urns is recognised as a sale of the grave plots and niches for cremation urns when the customers have the right to use the grave plots and niches for cremation urns upon the execution of a binding agreement.

2. PRINCIPAL ACCOUNTING POLICIES *(cont'd)*

Change in accounting policy in relation to the conveyance of cemetery burial right *(cont'd)*

Revised accounting policy for the period ended 30th June, 2009 (cont'd)

Cemetery assets

The costs of grave plots and niches for cremation urns are re-classified to inventories from cemetery assets, prepaid lease payments and property, plant and equipment, upon commencement of development of the grave plots and niches for cremation urns with the intention of sale in the ordinary course of business of the Group. These assets are stated at the lower of cost and net realisable value. Cost of such assets is charged to profit or loss by reference to the area of the grave plots and niches for cremation urns sold in relation to the estimated total saleable area.

Cemetery assets and the related prepaid lease payments and property, plant and equipment for which no development has commenced are classified as non-current assets.

The Directors of the Company believe that the revised accounting policy will result in a better presentation of the Group's cemetery operation and are consistent with the way management assesses and measures its performance. Such a change in accounting policy did not have a significant impact to the Group's reported results for the prior period and the current period, accordingly, prior period's results have not been restated. An amount of approximately HK$2,042,000 included in deferred income as at 31st December, 2008 under the old accounting policy, which relates to conveyance of grave plots and niches for cremation urns transacted on or before 31st December, 2008, has been recognised as revenue during the period ended 30th June, 2009. The change in accounting policy has resulted in reclassification of certain asset items in the condensed consolidated statement of financial position as at 31st December, 2008, in respect of grave plots and niches for cremation urns whose development have been completed in prior periods as follows:

	Prepaid lease payments *HK$'000*	**Property, plant and equipment** *HK$'000*	**Cemetery assets – non-current** *HK$'000*	**Inventories** *HK$'000*
As at 31st December, 2008 (originally stated)	52,933	187,830	503,015	–
Effect of change in accounting policy	(430)	(18,644)	(77,631)	96,705
As at 31st December, 2008 (restated)	52,503	169,186	425,384	96,705

2. PRINCIPAL ACCOUNTING POLICIES *(cont'd)*

Adoption of new or revised HKFRSs effective in the current period

In the current interim period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the HKICPA, which are effective for the Group's financial year beginning on 1st January, 2009.

HKAS 1 (Revised 2007)	Presentation of Financial Statements
HKAS 23 (Revised 2007)	Borrowing Costs
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC)-Int 9 & HKAS 39 (Amendments)	Embedded Derivatives
HK(IFRIC)-Int 13	Customer Loyalty Programmes
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning on or after 1st July, 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

The adoption of the new and revised HKFRSs has resulted in changes to the Group's presentation and disclosure in the following areas that have an effect on how the results for the current and prior years are presented:

HKAS 1 (Revised 2007) has introduced a number of terminology changes, including revised titles for the condensed consolidated financial statements, and has resulted in a number of changes in presentation and disclosure. However, HKAS 1 (Revised 2007) has had no impact on the reported results or financial position of the Group.

2. PRINCIPAL ACCOUNTING POLICIES *(cont'd)*

Adoption of new or revised HKFRSs effective in the current period *(cont'd)*

HKFRS 8 is a disclosure standard that requires the identification of operating segments to be performed on the same basis as financial information that is reported internally for the purpose of allocating resources between segments and assessing their performance. The predecessor standard, HKAS 14 Segment Reporting, required the identification of two sets of segments (business and geographical) using a risks and returns approach. In the past, the Group's primary reporting format was business segments. The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14 (see note 3) and has had no impact on the reported results or financial position of the Group.

In previous years, the Group expensed all borrowing costs that were directly attributable to the acquisition, construction or production of a qualifying asset when they were incurred. HKAS 23 (Revised 2007) removes the option available under the previous version of the standard to recognise all borrowing costs as expenses immediately and requires all such borrowing costs to be capitalised as part of the cost of the qualifying asset. The Group has applied the transitional requirements in HKAS 23 (Revised 2007) and applied the revised accounting policy to borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after 1st January, 2009. As the Group does not have any qualifying assets in the past and current period, the change has had no impact on amounts reported in current or prior accounting periods.

The adoption of the other new and revised HKFRSs has had no material effect on the results and financial position for the current or prior accounting periods. Accordingly, no prior period adjustment has been recognised.

2. PRINCIPAL ACCOUNTING POLICIES *(cont'd)*

New and revised HKFRSs issued but not yet effective

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

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs issued in 2008[1]
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009[2]
HKAS 27 (Revised 2008)	Consolidated and Separate Financial Statements[1]
HKAS 39 (Amendment)	Eligible Hedged Items[1]
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adoption[4]
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions[4]
HKFRS 3 (Revised 2008)	Business Combinations[1]
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners[1]
HK(IFRIC) – Int 18	Transfers of Assets from Customers[3]

1 Effective for annual periods beginning on or after 1st July, 2009

2 Amendments that are effective for annual periods beginning on or after 1st July, 2009 or 1st January, 2010, as appropriate

3 Effective for transfers on or after 1st July, 2009

4 Effective for annual periods beginning on or after 1st January, 2010

The adoption of HKFRS 3 (Revised 2008) may affect the Group's accounting for business combination for which the acquisition dates are on or after 1st January, 2010. HKAS 27 (Revised 2008) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary. The Directors of the Company anticipate that the application of other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. SEGMENT INFORMATION

The Group has adopted HKFRS 8 Operating Segments with effect from 1st January, 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and to assess their performances. In contrast, the predecessor standard (HKAS 14, Segment Reporting) required an entity to identify two sets of segments (business and geographical) using a risks and returns approach, with the entity's "system of internal financial reporting to key management personnel" serving only as the starting point for the identification of such segments.

In the past, the Group's primary reporting format was business segments. In the opinion of the Directors of the Company, the principles of which the business segments of the Group have been divided under HKAS 14 in previous years also form the basis of which internal reports have been presented to the chief operating decision maker. The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14. Nor has the adoption of HKFRS 8 changed the basis of measurement of segment profit or loss.

The Group's reportable segments under HKFRS 8 are therefore identical to the business segments under HKAS 14, namely:

Printing – Manufacture and trading of printed products and packaging printed products; and

Cemetery investment – Sales of tomb sets and provision of burial services.

During the period ended 30th June, 2008, the property investment segment became inactive pursuant to the disposal of an investment property through disposal of a subsidiary on 26th March, 2008. During the period ended 30th June, 2009, no revenue and results were generated by this segment.

3. SEGMENT INFORMATION *(cont'd)*

The following is an analysis of the Group's revenue and results by operating segments for the period under review:

Six months ended 30th June, 2009

	Printing *HK$'000*	**Cemetery investment** *HK'000*	**Consolidated** *HK$'000*
TURNOVER – external	**128,143**	**2,717**	**130,860**
SEGMENT RESULTS	**(15,979)**	**(7,569)**	**(23,548)**
Unallocated income			**24,141**
Unallocated expenses			**(4,252)**
Finance costs			**(7,135)**
Loss before tax			**(10,794)**

Six months ended 30th June, 2008

	Printing *HK$'000*	Cemetery investment *HK'000*	Property investment *HK'000*	Consolidated *HK$'000*
TURNOVER – external	243,667	307	294	244,268
SEGMENT RESULTS	(23,551)	(7,553)	4,526	(26,578)
Unallocated income				996
Unallocated expenses				(3,501)
Finance costs				(7,564)
Loss before tax				(36,647)

3. SEGMENT INFORMATION *(cont'd)*

Segment results represent profit or loss attributable to each segment without allocation of corporate income, corporate expenses and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resources allocation and assessment of segment performance.

Upon adoption of HKFRS 8, the principles of identifying segment assets are on the same basis as those under HKAS 14 and there is no change on the basis of presentation of segment assets for the current and prior periods.

The following is an analysis of the Group's assets by operating segments:

	30th June, 2009	31st December, 2008
	HK$'000	*HK$'000*
Printing	**341,256**	380,458
Cemetery investment	**535,172**	540,086
Total segment assets	**876,428**	920,544

4. LOSS BEFORE TAX

Loss before tax has been arrived at after charging:

	For the six months ended 30th June, 2009	2008
	HK$'000	*HK$'000*
Cost of inventories recognised as an expense	**97,453**	197,877
Depreciation	**12,254**	16,516
Loss arising on modification of terms of a convertible note *(note 14)*	**285**	–
and after crediting:		
Gain arising on extension right on a convertible note *(note 14)*	**(23,790)**	–

5. INCOME TAX CREDIT

	For the six months ended 30th June,	
	2009	2008
	HK$'000	*HK$'000*
The credit comprises:		
People's Republic of China (the "PRC")		
Enterprise Income Tax		
current year	**–**	82
underprovision in prior years	**915**	–
	915	82
Deferred tax		
current year	**(1,729)**	(780)
attributable to a change in tax rate	**–**	(179)
	(1,729)	(959)
	(814)	(877)

Hong Kong Profits Tax is calculated at 16.5% for the six months ended 30th June, 2009 (2008: 16.5%). No provision for Hong Kong Profits Tax has been made for the six months ended 30th June, 2009 as the Group has available tax losses brought forward from prior years to offset the estimated assessable profits arising in Hong Kong.

PRC Enterprise Income Tax has been calculated on the estimated assessable profit for the period at a rate of 25% (2008: 25%).

6. DIVIDEND

The board has determined not to declare an interim dividend for both periods.

7. LOSS PER SHARE

The calculation of the basic and diluted loss per share is based on loss for the period attributable to the owners of the Company of approximately HK$9,184,000 (2008: approximately HK$34,826,000) and approximately 945,514,000 (2008: approximately 634,398,000 which has been adjusted for the rights issue on 16th June, 2008) weighted average number of ordinary shares.

The potential ordinary shares attributable to the assumed conversion of convertible notes have anti-dilutive effect for the periods ended 30th June, 2009 and 2008.

8. MOVEMENTS IN PREPAID LEASE PAYMENTS AND PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30th June, 2009, the Group acquired property, plant and equipment at a cost of approximately HK$3,629,000 (2008: HK$4,789,000).

In the current period, the Group has reclassified certain prepaid lease payments, property, plant and equipment and cemetery assets into inventories following a change in accounting policy as more fully set out in note 2.

During the six months ended 30th June, 2008, the Group also acquired a piece of land in Dongguan, the PRC, (the "Dongguan Land") through the acquisition of the entire interest of Success Gain Investment Limited ("Success Gain") at a consideration of approximately HK$42,103,000, comprising cash consideration paid of approximately HK$15,757,000 and the entire equity interest of Chuang's Development (Chengdu) Limited ("CD Chengdu") held by the Company (note 16). The fair value of the Dongguan Land at 26th March, 2008, the effective date of acquisition of Success Gain, was arrived at on the basis of a valuation carried out as at that date by DTZ Debenham Tie Leung Limited, a firm of independent qualified professional valuers and a member of the Institute of Valuers. The valuation was arrived at by reference to the comparable recent sales prices in the relevant location.

9. CEMETERY ASSETS

Cemetery assets represent premium on prepaid lease payments, premium on the right to acquire further land interests of the cemetery and cemetery brand name in Zhaoqing, Guangdong, the PRC.

10. INVENTORIES

	30th June, 2009 HK$'000	31st December, 2008 HK$'000
Inventories of printing business		
Raw materials	**26,517**	37,137
Work in progress	**16,342**	8,869
Finished goods	**3,804**	4,076
	46,663	50,082
Grave plots and niches for cremation urns of cemetery business *(note)*	**96,265**	96,705
	142,928	146,787

note: In the current period, the Group has reclassified certain prepaid lease payments, property, plant and equipment and cemetery assets into inventories, which represent grave plots and niches for cremation urns available for sale in the ordinary course of business, following a change in accounting policy as more fully set out in note 2.

11. ACCOUNTS RECEIVABLES

The Group has a policy of allowing credit periods ranging from 30 days to 180 days to its trade customers. The aged analysis of accounts receivables prepared on the basis of sales invoice date is stated as follows:

	30th June, 2009 HK$'000	31st December, 2008 HK$'000
0 to 30 days	**25,507**	31,131
31 to 60 days	**24,153**	23,745
61 to 90 days	**14,484**	14,588
91 to 120 days	**11,656**	18,219
121 to 180 days	**3,155**	14,572
More than 180 days	**8,906**	8,455
	87,861	110,710

12. ACCOUNTS PAYABLES

The aged analysis of accounts payables prepared on the basis of supplier invoice date is stated as follows:

	30th June, 2009	31st December, 2008
	HK$'000	*HK$'000*
0 to 30 days	**13,200**	16,429
31 to 60 days	**10,407**	15,483
61 to 90 days	**9,104**	14,433
91 to 120 days	**6,010**	7,556
More than 120 days	**5,298**	9,766
	44,019	63,667

13. BANK BORROWINGS

During the six months ended 30th June, 2009, the Group obtained new bank loans of approximately HK$66,878,000 (2008: HK$41,206,000) and made repayments of approximately HK$74,291,000 (2008: HK$38,191,000). The loans bear interest ranging from 0.79% to 6.50% (2008: from 2.09% to 5.87%) per annum and are repayable on demand (2008: repayable on demand).

14. CONVERTIBLE NOTES

The Company issued a convertible note with a principal sum of HK$49,500,000 on 29th June, 2007 (the "CN June 2007") and another convertible note with a principal sum of HK$130,000,000 on 19th September, 2007 (the "CN Sept 2007"). The CN Sept 2007 was issued as part of the consideration for the acquisition of subsidiaries.

14. CONVERTIBLE NOTES *(cont'd)*

Both convertible notes are denominated in Hong Kong dollars and have a coupon rate of 1.5% (2008: 1.5%) per annum. The effective interest rate for CN June 2007 and CN Sept 2007 are 7.17% and 7.48% respectively. Other major terms of the convertible notes are as follows:

	Principal amount of convertible notes *HK$'000*	**Maturity date**	**Adjusted conversion price** *(note)*
CN June 2007	49,500	29th June, 2011	HK$0.399 per share
CN Sept 2007	130,000	19th September, 2010	HK$0.886 per share

note: The conversion price has been adjusted as a result of the rights issue on 16th June, 2008.

The convertible notes entitle the holders to convert, in whole or in part, the principal amount into ordinary shares of the Company on any business day prior to five business days before the respective maturity dates. If the convertible notes have not been converted, they will be redeemed on maturity dates at par.

On the above basis, the fair values of the liability portion and the equity portion of CN June 2007 and CN Sept 2007 on the dates of issue are as follows:

	CN June 2007 *HK$'000*	**CN Sept 2007** *HK$'000*	**Total** *HK$'000*
Liability portion	40,030	109,776	149,806
Equity portion	9,470	46,242	55,712
	49,500	156,018	205,518

14. CONVERTIBLE NOTES *(cont'd)*

On 19th January, 2009, the holder of CN Sept 2007 entered into a supplemental agreement with the Company pursuant to which the Company was granted the right (the "Extension Right") to extend the due date for repayment by 3 years from 19th September, 2010 to 19th September, 2013 (the "Extension Period"), provided that the interest rate on CN Sept 2007 would be increased from 1.5% per annum to 3% per annum for the Extension Period and the Company would have the right to redeem the CN Sept 2007 in whole or in part at any time during the Extension Period prior to 19th September, 2013, at a redemption price equal to the then face value of the principal sum of CN Sept 2007 plus accrued interest thereon. If not converted or early redeemed, CN Sept 2007 will be redeemed on 19th September, 2013 at par. The fair value of the Extension Right as at the date of grant amounted to approximately HK$26,691,000.

On 1st June, 2009, the Company exercised the Extension Right. Upon such exercise, the modification of the maturity date and coupon interest is accounted for as an extinguishment of the original financial liability component of the CN Sept 2007 and the recognition of a new financial liability component of the CN Sept 2007. The fair value of the new liability portion of CN Sept 2007 under the modified terms was approximately HK$70,678,000, determined using the effective interest rate of 12.67%. Upon exercise, the Extension Right has been derecognised and its fair value at that time, amounting to approximately HK$23,790,000, has been included in the determination of profit or loss effect charged to the reported results.

The fair values of the Extension Right at 19th January, 2009 and 1st June, 2009 were determined based on the present value of the differences in cash flows before and after the exercise of the Extension Right.

14. CONVERTIBLE NOTES *(cont'd)*

The movement of the liability components of the convertible notes is as follow:

	CN June 2007	CN Sept 2007	Total
	HK$'000	*HK$'000*	*HK$'000*
At 1st January, 2008	24,518	86,305	110,823
Conversion during the year	(11,244)	–	(11,244)
Interest charge	1,648	6,632	8,280
Interest paid	(525)	(1,516)	(2,041)
At 31st December, 2008	14,397	91,421	105,818
Interest charge	512	3,472	3,984
Derecognition of original liability component	–	(94,183)	(94,183)
Recognition of new liability component upon modification of CN Sept 2007	–	70,678	70,678
Interest paid	(333)	–	(333)
At 30th June, 2009	14,576	71,388	85,964

15. SHARE CAPITAL

	Number of shares		Amount	
	30th June, 2009	31st December, 2008	**30th June, 2009**	31st December, 2008
	'000	*'000*	***HK$'000***	*HK$'000*
Authorised:				
Ordinary shares of HK$0.10 each				
At beginning of period/year	**2,000,000**	1,000,000	**200,000**	100,000
Increase on 21st May, 2008	**–**	1,000,000	**–**	100,000
At end of period/year	**2,000,000**	2,000,000	**200,000**	200,000
Preference shares of HK$0.01 each				
Series A Preference Shares	**1,000,000**	1,000,000	**10,000**	10,000
Series B Preference Shares	**1,000,000**	1,000,000	**10,000**	10,000
At end of period/year	**2,000,000**	2,000,000	**20,000**	20,000

	Number of shares	**Amount**
	'000	*HK$'000*
Issued and fully paid:		
Ordinary shares of HK$0.10 each		
Balance at 1st January, 2008	609,290	60,929
Rights issue *(note)*	304,645	30,465
Balance at 30th June, 2008	913,935	91,394
Conversion of convertible notes	31,579	3,157
Balance at 31st December, 2008 and 30th June, 2009	945,514	94,551

note: On 16th June, 2008, the Company completed a rights issue by issuing and allotting 304,645,034 rights shares at a subscription price of HK$0.25 each on the basis of one rights share for every two shares held. The net proceeds from the rights issue of approximately HK$73,492,000 have been used as the Group's general working capital.

16. DISPOSAL OF A SUBSIDIARY

During the six months ended 30th June, 2008, pursuant to an agreement as set out in note 18(a), the Group disposed of its entire equity interest in CD Chengdu. The net assets of CD Chengdu at the date of the disposal were as follows:

	HK$'000
NET ASSETS DISPOSED OF:	
Investment property	27,472
Other receivables	25
Bank balance	619
Accrued charges and other payable	(1,415)
Tax payable	(605)
Deferred tax	(750)
Net assets	25,436
Exchange reserves realised	(3,272)
	22,074
Gain on disposal	4,272
Total consideration	26,346
Satisfied by:	
Partial consideration for acquisition of Dongguan Land *(note 8)*	26,346
Net cash outflow from disposal	
Bank balance disposed of	(619)

17. CAPITAL COMMITMENTS

At 30th June, 2009, the Group had commitments of approximately HK$299,000 (31st December, 2008: HK$Nil) for capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of the acquisition of property, plant and equipment.

18. RELATED PARTY DISCLOSURE

The relevant related party disclosure is as follows:

(a) Transactions with a substantial shareholder and its affiliates

Chuang's Consortium International Limited ("CCIL") is a substantial shareholder of the Company. Chuang's China Investments Limited ("Chuang's China") is a non-wholly owned subsidiary of CCIL. During the period, the Group had transactions with Chuang's China as follows:

	For the six months ended 30th June,	
	2009	2008
	HK$'000	*HK$'000*
Exchange of assets with Chuang's China *(note)*	**–**	42,103

note: On 26th March, 2008, pursuant to an agreement, the Company paid cash of HK$15,757,000 and transferred its entire equity interest in CD Chengdu, which contributed to the entire results of property investment segment during the period ended 30th June, 2008, to Chuang's China, in exchange for the entire interest in Success Gain whose sole asset is the Dongguan Land with a consideration of approximately HK$42,103,000.

(b) The remuneration of Directors and other members of key management during the period was as follows:

	For the six months ended 30th June,	
	2009	2008
	HK$'000	*HK$'000*
Short-term benefits	**3,167**	2,914
Post employment benefits	**71**	66
	3,238	2,980

19. EVENTS AFTER THE END OF THE INTERIM PERIOD

(a) On 29th July, 2009, upon the approval by the shareholders of the Company in an extraordinary general meeting, the authorised share capital of the Company was increased from HK$220,000,000 (comprising 2,000,000,000 ordinary shares of HK$0.10 each and 2,000,000,000 preference shares of HK$0.01 each) to HK$320,000,000 (comprising 3,000,000,000 ordinary shares of HK$0.10 each and 2,000,000,000 preference shares of HK$0.01 each) by the creation of an additional 1,000,000,000 ordinary shares of HK$0.10 each, and such additional ordinary shares, upon issue, shall rank pari passu with the existing ordinary shares of the Company.

(b) On 3rd August, 2009, the Company had agreed with the holder of CN Sept 2007 to further modify the terms of CN Sept 2007, the principal sum of which immediately prior to the agreement was HK$100,000,000, as follows:

(i) the principal sum was reduced by HK$10,000,000;

(ii) a principal sum of HK$20,000,000 was converted into ordinary shares of the Company at a conversion price of HK$0.222 per share;

(iii) as to the remaining principal sum of HK$70,000,000, a sum up to HK$50,000,000 could be converted into ordinary shares of the Company at a conversion price of HK$0.25 per share and the balance of HK$20,000,000 which will not be convertible into ordinary shares of the Company will be repaid on the maturity date;

(iv) coupon rate was reduced to 1% per annum; and

(v) the final maturity date was extended to 3rd August, 2014.

(c) On 3rd August, 2009, the Company issued a new convertible note to CCIL in the principal sum of HK$60,000,000. This convertible note is issued for a term of 5 years, carries a coupon rate of 1% per annum and is convertible into ordinary shares of the Company at a conversion price of HK$0.25 per share.

INTERIM DIVIDEND

In view of the loss incurred by the Group during the period under review, the Directors have decided not to recommend the payment of an interim dividend for the period under review (2008: HK$Nil).

FINANCIAL REVIEW

During the period under review, turnover of the Group was HK$130.9 million (2008: HK$244.3 million), representing a decrease of 46.4%. Turnover derived from printing business amounted to HK$128.1 million (2008: HK$243.7 million) which accounted for 97.9% of the Group's turnover whereas the remaining turnover represented the revenue from cemetery operation.

Gross profit, principally derived from our printing business, decreased by 25.4% to HK$33.2 million (2008: HK$44.5 million), which was mainly attributable to the decrease in turnover. Other income increased by 109.8% to HK$27.7 million (2008: HK$13.2 million), principally as a result of profit generated from the fair value change of a convertible note. On the costs side, selling expenses decreased by 44.5% to HK$16.6 million (2008: HK$29.9 million), mainly due to a reduction in sales revenue. Administrative and general expenses decreased by 15.8% to HK$47.9 million (2008: HK$56.9 million), mainly attributable to effective cost control measures implemented by the Group. Finance costs decreased slightly by 6.6% to HK$7.1 million (2008: HK$7.6 million), principally as a result of lower interest rates prevailing during the period. Taking all these factors into account, the Group recorded a loss attributable to ordinary shareholders of HK$9.2 million (2008: HK$34.8 million), representing a decrease of 73.6% compared to that of last corresponding period.

BUSINESS REVIEW

(a) Printing Business

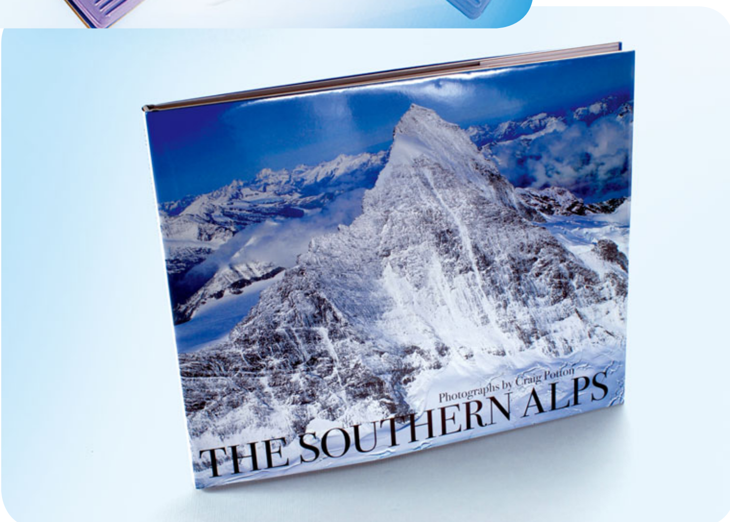
The printing business of the Group comprised book printing and paper product printing. Our customers are mainly multinational publishers or conglomerates in the United States of America, Europe, Australia and Hong Kong and our products include board books, children books, premium gift products, greeting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

During the period under review, the trading environment of the printing business continued to be difficult. The worldwide economic environment in the first half of 2009 has not yet fully recovered from the global recession. The fall in printing demands from overseas customers resulted from the continued global economic uncertainty affected our printing business. As a result, turnover of the printing business of the Group during the period decreased by 47.4% to HK$128.1 million. In order to alleviate these difficulties and to restore the printing operation into profitability, the Group continues to take proactive measures to strengthen sales, improve profit margin and enhance cost control.

As regards strengthening sales, the Group endeavored to explore new customers worldwide. During the first half of 2009, the Group has participated in major exhibitions including Spring Fair 2009 in the United Kingdom, Paperworld 2009 in Germany, Bologna Children's Book Fair, London Book Fair and BookExpo American 2009. The Group will also join the coming Frankfurt Book Fair 2009 and Cosmoprof Asia 2009 in Hong Kong in the second half of the year. Through these exhibitions, the Group can promote further its corporate awareness among new customers and expand new businesses. In the first half of 2009, the Group has successfully received orders from about 60 new customers. This enlarged client base can provide growth opportunities to the Group once the economy rebounds in the future. At the same time, in order to minimise bad debt, the Group will continue to adopt sound and appropriate credit policies.

As regards improving profit margin, the Group has rendered value added services to our customers, including design consultation and product enhancement services. This strategy has helped us to secure higher margin orders from existing and new customers. The Group anticipates that such orders will continue in the second half of 2009 to provide positive contribution to the Group.

Book plus product



Hardcase book

Cost control is another key element in restoring profitability. In this respect, the Group has successfully streamlined its operation flow through reorganising production process and retraining workers. These measures enabled the Group to improve productivity and efficiency while at the same time substantially reduce headcounts by about 40% in a year's time. Furthermore, the newly implemented enterprises resources planning ("ERP") system provides the management with real time information for planning and effective control purposes. Full utilisation of this ERP system will enable the Group to further reduce both production costs and administrative expenses.

By adopting all of the above measures, the Group has successfully improved the gross profit margin ratio from 18.2% in the last corresponding period to 25.3% for the current period under review. The Group will strive for further improvements in the second half of the year.

In the second half of 2009, we will invite tender for the foundation work of initial phase of development for the industrial land site located at Coastal Industry Zone in Shatian, Dongguan. We will closely monitor the development time frame of this land site so that we can have sufficient production capacity timely when the economy recovers and printing demand increases.

(b) Cemetery Business

Cemetery investment is another focus of business development of the Group. Currently, the Group operates a cemetery in Sihui, Guangdong, named Fortune Wealth Memorial Park. In August 2009, Department of Civil Affairs of Guangdong completed an annual review of 88 cemeteries operating in the Guangdong Province. Our cemetery was again accredited as a premium cemetery and only 2 cemeteries serving overseas Chinese in the province were granted such accreditation. We have obtained this accreditation since 2007.

To market our services, we have now established 1 sales office in Hong Kong and 5 sales offices in Guangzhou, Foshan, Zhaoqing as well as Sihui in Guangdong, the PRC and we will set up additional offices in other cities within Guangdong Province in the near future. We have also established an extensive agency network in Hong Kong and the PRC and will extend such network further in overseas region.

Sales offices and activity

Fortune Wealth
Memorial Park

Promotional activity in Guangzhou

Tianhe District, Guangzhou

Yuexiu District, Guangzhou

Sihui

Foshan

Zhaoqing

Hong Kong

For the sake of expanding our market presence to a larger extent, the Group has implemented a series of promotion campaign including regular visits of the cemetery for both the general public and members in the burial related organisations. In the first half of 2009, the cemetery has hosted about 900 new visitors to the cemetery, which made up an accumulated number of visitors to over 7,000. In addition, the Group has held joint promotion with a charitable organisation to promote our services to the elderly. Such cemetery visits and promotional activities will continue to be held in the future to boost our publicity.

A new highway from Guangzhou to Hezhou that bypasses Sihui is expected to be completed in early 2010. The exit at Sihui is approximately 10 minutes' drive to the cemetery. This highway will shorten the traveling time to about 1 hour from the city centre of Guangzhou to Sihui where our cemetery is located. This will greatly reduce transportation time and cost to and from Guangzhou and neighboring areas to our cemetery. We expect that this enhancement in accessibility will attract potential customers and, hopefully, generate more demands of our grave plots. In view of this anticipated growth in demand, the Group has commenced the negotiation process of acquiring 250 mu of land for further expansion.

LIQUIDITY AND FINANCIAL POSITIONS

As at 30th June, 2009, the Group's bank balances and cash amounted to HK$78.8 million while bank borrowings amounted to HK$80.0 million. The Group's net bank borrowings amounted to HK$1.2 million and its net bank borrowings to equity ratio (being all bank borrowings less bank balance and cash as a ratio to shareholders' fund) is 0.3%. Most of the Group's bank balances and borrowings were denominated in Hong Kong dollars, United States dollars and Renminbi. Risk in exchange rate fluctuation would not be material. Interest on bank borrowings was charged at variable commercial rates prevailing in Hong Kong and the PRC.

In January 2009, the holder of a convertible note of the Company agreed to extend the repayment date of the convertible note amounted to HK$100.0 million by 3 years to September 2013. In August 2009, the terms of this convertible note were further modified. Out of the original principal sum of HK$100.0 million, HK$10.0 million was haircut and HK$20.0 million was converted into approximately 90.1 million new ordinary shares of the Company at a conversion price of HK$0.222 per share. As to the remaining principal sum of HK$70.0 million, HK$50.0 million could be converted at any time up to August 2014, at the option of the noteholder, into new ordinary shares of the Company at a conversion price of HK$0.25 per share (subject to adjustments) and the remaining balance of HK$20.0 million will be repayable at maturity in August 2014. In August 2009, the Company also issued a new convertible note to CCIL, its major shareholder, in the principal sum of HK$60.0 million for a term of 5 years with a conversion price of HK$0.25 per share (subject to adjustments). The cash proceeds will be used to finance the ongoing development of both the printing and cemetery business of the Group.

The aforesaid amendments of terms of an existing convertible note and the issue of a new convertible note have strengthened the financial and working capital positions of the Group so that the Group is well placed to meet the challenges ahead. Details of such transactions were included in a circular to shareholders dated 10th July, 2009.

During the period and subsequent to the interim balance sheet date, to take advantage of the discount on early redemption of the loan note, the Company has redeemed HK$20.0 million of the loan note before its maturity date. Accordingly, as at the date of this report, there is no loan note outstanding.

PROSPECTS

In the printing business, notwithstanding the formidable difficulties ahead, the Group has implemented positive measures to tackle these challenges. With our commitment to provide quality and professional printing solutions to our customers, the Group is confident to face the challenges and expects improvement in the operating results of the Group in the future.

The demand for graveyards is strong in both Hong Kong and the PRC. With the continuous improvement in infrastructure in the nearby region of our cemetery and our effort in marketing, the Group is optimistic in the long-term prospect of the cemetery investment and expects to generate positive return to our shareholders.

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

As at 30th June, 2009, 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 ("SFO")) which have been 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 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:

Name of Director	Number of ordinary shares of the Company held	Capacity	Nature of interest	Approximate % of shareholding in the Company
Mr. SHEK Lai Him, Abraham	15,000	Beneficial owner	Personal interest	0.0016%

Other than as disclosed herein, as at 30th June, 2009, 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 the 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 June, 2009, 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 held	Capacity
Gold Throne Finance Limited ("Gold Throne")	739,008,270 *(note 1)*	Beneficial owner
Chuang's Consortium International Limited ("CCIL")	739,008,270 *(note 1)*	*(note 2)*
Evergain Holdings Limited ("Evergain")	739,008,270 *(note 1)*	*(note 2)*
CHUANG Shaw Swee, Alan ("Mr. CHUANG")	739,008,270 *(note 1)*	*(note 2)*
CHONG HO Pik Yu	739,008,270 *(note 1)*	*(note 3)*
Great Income Profits Limited ("Great Income")	445,010,907 *(note 4)*	Beneficial owner
CHING Eng Chin ("Mr. CHING")	445,010,907 *(note 4)*	Interest of controlled corporation

notes:

1. Such interests represented 78.16% of the issued ordinary share capital and comprised Gold Throne's interests in 457,278,947 shares, 41,729,323 conversion shares to be issued upon the exercise of conversion rights attached to a convertible note due 2011 and 240,000,000 conversion shares to be issued upon the exercise of conversion rights attached to a convertible note to be issued by the Company pursuant to a subscription agreement dated 22nd June, 2009 entered into between the Company and CCIL. 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. CHUANG, is entitled to exercise or control the exercise of one third or more of the voting power in general meetings of CCIL. Mr. CHUANG Ka Pun, Albert is a director of Gold Throne, CCIL and Evergain.

3. Such interests arose by attribution through her spouse, Mr. CHUANG.

4. Such interests represented 47.07% of the issued ordinary share capital and comprised Great Income's interests in 42,054,000 shares, 112,866,817 conversion shares to be issued upon the exercise of conversion rights attached to a convertible note due 2010 ("GI Convertible Note") and 290,090,090 conversion shares to be issued upon the exercise of conversion rights attached to the GI Convertible Note pursuant to a supplemental agreement dated 22nd June, 2009 entered into between the Company and Great Income to amend certain terms of the GI Convertible Note. Great Income is beneficially owned by Mr. CHING.

Save as disclosed above, as at 30th June, 2009, 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 were required, pursuant to Section 336 of Part XV of the SFO, to be entered in the register referred to therein.

SHARE OPTION SCHEME

On 13th December, 2001, a share option scheme (the “2001 Scheme”) was adopted by the Company. The purpose of the 2001 Scheme is to recognise the contribution of the employees, including Directors of the Company and its subsidiaries (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.

Under the 2001 Scheme which is valid and effective for a term of ten years from the date of its adoption, the Directors of the Company may grant options to the Eligible Persons to subscribe for ordinary shares in the Company at a price to be notified by the Directors and to be no less than the highest of: (i) the closing price of the Company’s ordinary shares as stated in the daily quotation sheet issued by the Stock Exchange on the day of offer; (ii) the average closing price of the Company’s ordinary shares as stated in the daily quotation sheets issued by the Stock Exchange for the five trading days immediately preceding the date of offer; and (iii) the nominal value of the Company’s ordinary shares. The number of ordinary shares issued and to be issued upon exercise of the options granted to any individual in any 12-month period is not permitted to exceed 1 percent of the issued ordinary share capital of the Company at any point in time, without prior approval from the Company’s shareholders. The maximum number of ordinary shares in respect of which options may be granted under the 2001 Scheme and any other share option schemes of the Company shall not exceed 30 percent of the issued ordinary share capital of the Company from time to time.

Options granted under the 2001 Scheme must be taken up within 28 days from the date of grant, upon payment of a nominal price. Options may be exercised at any time after their date of acceptance, but none of them can be exercised later than ten years from their date of acceptance.

No options have been granted under the 2001 Scheme since its adoption.

CORPORATE GOVERNANCE

Since 15th January, 2009, Mr. HUNG Ting Ho, Richard 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 – Code on Corporate Governance Practices (the "CG Code") of the Listing Rules on the Stock Exchange. The Board considers that this structure has the advantage of a strong and consistent leadership which is conducive to making and implementing decisions efficiently and consistently.

Except mentioned above, the Company has complied throughout the six months ended 30th June, 2009 with the code provisions set out in the CG Code.

The Audit Committee has been established by the Company to review and supervise the Company's financial reporting process, internal controls and review the relationship with auditors. The Audit Committee has held meetings in accordance with the relevant requirements and has reviewed the results for the six months ended 30th June, 2009. 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 Company has 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 set out in the Model Code.

UPDATE ON BIOGRAPHICAL DETAILS OF DIRECTORS PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Changes in the biographical details of Directors since the date of the 2008 Annual Report of the Company which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules, are set out below:

Mr. CHUANG Ka Pun, Albert, an Executive Director of the Company, has been appointed as the Chief Operating Officer of CCIL with effect from 19th June, 2009.

Dr. LI Sau Hung, Eddy, an Independent Non-Executive Director of the Company, ceased to be an Independent Non-Executive Director of Jackin International Holdings Limited with effect from 18th July, 2009.

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

During the six months ended 30th June, 2009, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

STAFF

As at 30th June, 2009, the Group, including its subcontracting processing plants, employed approximately 2,400 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 PURSUANT TO 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 of up to HK$147 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 June, 2009, the balance outstanding was HK$17 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 of up to HK$20 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 June, 2009, the balance outstanding was HK$5 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 of up to HK$61 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 June, 2009, the balance outstanding was HK$15 million. The banking facilities are subject to annual review.

GENERAL

As at the date of this report, Mr. HUNG Ting Ho, Richard, Mr. KWOK Chi Fai 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, 17th September, 2009