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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)

- (1) RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE
FOR EVERY TWO SHARES HELD ON RECORD DATE;
(2) CLOSURE OF BOOKS;
AND
(3) CHANGE IN BOARD LOT SIZE**

Financial Adviser to the Company



KINGSTON CORPORATE FINANCE LTD.

Underwriter of the Rights Issue



KINGSTON SECURITIES LTD.

RIGHTS ISSUE

The Company proposes to raise approximately HK\$110.4 million (before expenses) by way of the rights issue of 1,103,604,139 Rights Shares at a subscription price of HK\$0.10 per Rights Share on the basis of one (1) Rights Share for every two (2) Shares held on the Record Date. The Company intends to use the estimated net proceeds of the Rights Issue, after deducting estimated expenses in relation to the Rights Issue, of approximately HK\$107.4 million as to (i) approximately HK\$78.0 million to acquire additional paper stock for future orders, to early repay current suppliers upon successful negotiation for discount and to make cash purchase of alternative materials from new suppliers at lower prices and (ii) approximately HK\$29.4 million for repayment of bank borrowings dominated in Renminbi.

* For identification purpose only

Irrevocable Undertaking

As at the date of this announcement, Gold Throne, the controlling Shareholder, is interested in 1,341,049,258 Shares, representing approximately 60.76% of the issued share capital of the Company. Pursuant to the Irrevocable Undertaking, Gold Throne has unconditionally and irrevocably undertaken in favour of the Company that it (i) shall accept and pay for in full (or procure the acceptance and payment in full) for the 670,524,629 Rights Shares which will be provisionally allotted to it (or its nominee(s)) in respect of the Shares held by it as at the close of business on the Record Date; (ii) shall not apply for any Rights Shares in excess of those provisionally allotted thereto as referred to in sub-paragraph (i); and (iii) the 1,341,049,258 Shares shall remain beneficially owned by it as at the date of the Irrevocable Undertaking up to the close of business on the Record Date.

CHANGE IN BOARD LOT SIZE

The Board proposes that, subject to the completion of the Rights Issue, the board lot size of the Shares for trading on the Stock Exchange will be changed from 2,000 Shares to 20,000 Shares with effect from 9:00 a.m. on Thursday, 6 November 2014. The Company will arrange odd lot matching services in order to facilitate the trading of odd lots (if any).

LISTING RULES IMPLICATIONS

Subject to the Irrevocable Undertaking and the terms and conditions of the Underwriting Agreement, the Rights Issue is fully underwritten by the Underwriter. As the Rights Issue would not increase either the issued share capital or the market capitalisation of the issuer by more than 50%, the Rights Issue is not required by the Listing Rules to be approved by the Shareholders in a general meeting.

GENERAL

The Prospectus Documents containing, among other things, further details of the Rights Issue and change in board lot size are expected to be despatched by the Company to Qualifying Shareholders on or before Tuesday, 14 October 2014, and the Prospectus will be despatched to the Non-Qualifying Shareholders for information only.

The last day of dealings in the Shares on a cum-rights basis will be Tuesday, 30 September 2014. The Shares will be dealt with on an ex-rights basis from Friday, 3 October 2014. To qualify for the Rights Issues, a Qualifying Shareholder's name must appear on the register of members of the Company at the close of business on the Record Date, which will be Monday, 13 October 2014. In order to be registered as members on the Record Date, any transfers of Shares (together with the relevant share certificates) must be lodged for registration with the Registrar by 4:30 p.m. on Monday, 6 October 2014 (the register of members of the Company will be closed from Tuesday, 7 October 2014 to Monday, 13 October 2014, both dates inclusive).

WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND RIGHTS SHARES

The Shares will be dealt in on an ex-rights basis from Friday, 3 October 2014. Dealings in the Rights Shares in the nil-paid form will take place from Thursday, 16 October 2014 to Thursday, 23 October 2014 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled or the Underwriting Agreement is terminated, the Rights Issue will not proceed.

Any Shareholders or other persons contemplating selling or purchasing Shares and/or Rights Shares in their nil-paid form who are in any doubt about their position are recommended to consult their professional advisers. Any Shareholders or other persons dealing in Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) and any persons dealing in the nil-paid Rights Shares during the period from Thursday, 16 October 2014 to Thursday, 23 October 2014 (both dates inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed.

RIGHTS ISSUE

Issue statistics

Basis of the Rights Issue	: One (1) Rights Share for every two (2) Shares held on the Record Date
Subscription Price	: HK\$0.10 per Rights Share
Number of existing issued Shares:	: 2,207,208,278 Shares as at the date of this announcement
Number of Rights Shares	: 1,103,604,139 Rights Shares
Aggregate nominal value of Rights Shares	: HK\$110,360,413.9
Fund raised before expenses	: HK\$110,360,413.9
Underwriter	: Kingston Securities Limited

The number of Rights Shares to be issued pursuant to the Rights Issue represents 50% of the issued share capital of the Company as at the date of this announcement and approximately 33.33% of enlarged issued share capital of the Company immediately following the completion of the Rights Issue.

As at the date of this announcement, the Company does not have any options outstanding under any share option scheme of the Company or any other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares.

Irrevocable Undertaking

As at the date of this announcement, Gold Throne, the controlling Shareholder, is interested in 1,341,049,258 Shares, representing approximately 60.76% of the issued share capital of the Company. Pursuant to the Irrevocable Undertaking, Gold Throne has unconditionally and irrevocably undertaken in favour of the Company that it (i) shall accept and pay for in full (or procure the acceptance and payment in full) for the 670,524,629 Rights Shares which will be provisionally allotted to it (or its nominee(s)) in respect of the Shares held by it as at the close of business on the Record Date; (ii) shall not apply for any Rights Shares in excess of those provisionally allotted thereto as referred to in sub-paragraph (i); and (iii) the 1,341,049,258 Shares shall remain beneficially owned by it as at the date of the Irrevocable Undertaking up to the close of business on the Record Date.

Subscription Price

The Subscription Price is HK\$0.10 per Rights Share, payable in full upon acceptance under the PAL(s) and on application under the EAF(s).

The Subscription Price represents:

- (i) a discount of approximately 46.8% to the closing price of HK\$0.188 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 46.8% to the average closing price of approximately HK\$0.188 per Share as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Day; and
- (iii) a discount of approximately 37.1% to the theoretical ex-rights price of approximately HK\$0.159 per Share as adjusted for the effect of the Rights Issue, based on the closing price of HK\$0.188 per Share as quoted on the Stock Exchange on the Last Trading Day.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter with reference to the prevailing market price and trading liquidity of the Shares. The Directors consider that the discount would encourage the Shareholders to participate in the Rights Issue and accordingly maintain their shareholdings in the Company and participate in the potential growth of the Group. In view of the prevailing market conditions of the capital market in Hong Kong and the benefits of the Rights Issue, the Directors consider that the terms of the Rights Issue are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

Basis of provisional allotment

The Rights Shares will be allotted on the basis of one (1) Rights Share for every two (2) Shares held on the Record Date. Acceptances of all or any part of a Qualifying Shareholder's provisional allotment can be made only by completing the PAL and lodging the same with a remittance for the Rights Shares being accepted.

Status of the Rights Shares

The Rights Shares, when allotted, fully-paid or credited as fully-paid and issued, shall rank pari passu in all respects with the Shares then in issue, including as to the right to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment of the Rights Shares. Dealings in the Rights Shares will be subject to payment of stamp duty and any other applicable fees and charges in Hong Kong.

Fractional entitlements to the Rights Shares

The Company will not provisionally allot fractions of Rights Shares. Fractional entitlements will be rounded down to the nearest whole number of Rights Shares. All fractions of Rights Shares will be aggregated and all nil-paid Rights Shares arising from such aggregation will be sold in the market, if a premium (net of expenses) can be achieved, and the Company will retain the proceeds from such sale(s) for its benefit. Any unsold fractions of Rights Shares will be made available for excess application by the Qualifying Shareholders.

Qualifying Shareholders

To qualify for the Rights Issue, investors must be registered as members of the Company and not be a Non-Qualifying Shareholder at the close of business on the Record Date. However, Overseas Shareholders whose names appear on the register of members of the Company at the close of business on the Record Date whom the Board, based on legal opinions to be provided by legal advisers, considers necessary or expedient not to offer the Rights Shares on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place will not be regarded as Qualifying Shareholders.

As at the date of this announcement, the Company has no Overseas Shareholders. The Company will ascertain on the Record Date whether there is any Overseas Shareholder. In determining who will be the Non-Qualifying Shareholders on the Record Date, the Company will make enquiry regarding the legal restrictions (if any) under the laws of the relevant places and the requirements of the relevant regulatory bodies or stock exchanges for the offering of the Rights Shares to the Non-Qualifying Shareholders in compliance with the Listing Rules. Further details regarding the Non-Qualifying Shareholders will be set out in the Prospectus.

Further information in this connection will be set out in the Prospectus to be despatched to the Shareholders.

The Company retains the right, in its discretion, to make any arrangement to avoid any offer of Rights Shares to the Shareholders (without compliance with registration or other legal requirements) outside Hong Kong.

In order to be registered as members of the Company at the close of business on the Record Date, beneficial owners must lodge any transfers of Shares (together with the relevant share certificates) with branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration no later than 4:30 p.m. on Monday, 6 October 2014.

The Company will send the Prospectus Documents to the Qualifying Shareholders only.

Non-Qualifying Shareholders

The Company will send the Prospectus only (without any PAL and EAF) to the Non-Qualifying Shareholders for their information.

Arrangements will be made for Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence and before dealings in nil-paid Rights Shares end, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, of more than HK\$100 will be paid pro-rata to the Non-Qualifying Shareholders. The Company will retain individual amounts of HK\$100 or less for its own benefit. Any unsold entitlement of Non-Qualifying Shareholders, together with any Rights Shares provisionally allotted but not accepted, will be made available for excess application on EAFs by the Qualifying Shareholders.

Closure of register of members

The register of members of the Company will be closed from Tuesday, 7 October 2014 to Monday, 13 October 2014 (both dates inclusive). No transfers of Shares will be registered during this period.

Application for excess Rights Shares

Qualifying Shareholders may apply, by way of excess application, for any unsold fractions of Rights Shares, for any unsold entitlements of the Non-Qualifying Shareholders and for any Rights Shares provisionally allotted but not accepted.

The Directors will allocate the excess Rights Shares at their discretion with reference to the level of acceptances of the Rights Shares and the number of excess Rights Shares available on a fair and equitable basis on the following principles:

- (i) preference will be given to applications for topping-up odd lot holdings to whole lot holdings if and to the extent the Directors are satisfied that such applications are not made with the intention to abuse such mechanism; and
- (ii) subject to availability of the excess Rights Shares after allocation under principle (i) above, the excess Rights Shares will be allocated to the Qualifying Shareholders who have applied for excess application on a pro-rata basis based on the excess Rights Shares applied by them, with board lots allocation to be made on best efforts basis.

Investors with their Shares held by a nominee (including HKSCC) should note that the nominee is a single Shareholder for the purposes of the Rights Issue. Accordingly, investors whose Shares are registered in the names of nominees should note that the aforesaid arrangement in relation to the top-up of odd lots for allocation of excess Rights Shares will not be extended to beneficial owners individually.

Investors with their Shares held by a nominee should consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

Investors whose Shares are held by nominee(s) and would like to have their names registered on the register of members of the Company, must lodge all necessary document with the branch share registrar of the Company in Hong Kong for completion of the relevant registration by 4:30 p.m. on Monday, 6 October 2014.

The latest time for acceptance of Rights Shares will be 4:00 p.m. on Tuesday, 28 October 2014, or such later date or time as may be agreed between the Company and the Underwriter.

Application for listing

The Company will apply to the Listing Committee for the listing of, and permission to deal in the Rights Shares, in both their nil-paid and fully-paid forms.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms or such other dates as may be determined by HKSCC.

Dealings in the Right Shares in both their nil-paid and fully-paid forms will be in the board lots of 20,000. Dealings in the Rights Shares registered in the branch register of members of the Company in Hong Kong will be subject to the payment of stamp duty and any other applicable fees and charges in Hong Kong.

Share certificates and refund cheques for Rights Issue

Subject to the fulfilment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted on or before Wednesday, 5 November 2014 to those who have accepted and paid for the Rights Shares, by ordinary post at their own risk.

Refund cheques in respect of wholly or partly unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before Wednesday, 5 November 2014 by ordinary post to the applicants at their own risk.

Conditions of the Rights Issue

The Rights Issue is conditional upon, among other things, each of the following:

- (i) the registration by the Registrar of Companies in Hong Kong of the Prospectus Documents;
- (ii) the posting of copies of the Prospectus Documents to the Qualifying Shareholders on the Posting Date;

- (iii) there is no material breach of any of the warranties given by the Company pursuant to the Underwriting Agreement;
- (iv) compliance by Gold Throne of its obligations under the Irrevocable Undertaking;
- (v) the Listing Committee granting listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms prior to the first day of dealings of the nil-paid Rights Shares on the Stock Exchange commences as set out in the Prospectus and such listings and permission to deal not having been withdrawn or revoked prior to the Acceptance Time; and
- (vi) the Shares remaining listed on the Stock Exchange at all times prior to the Settlement Date and the listing of the Shares not having been withdrawn or the trading of the Shares not having been suspended for a consecutive period of more than 5 trading days at any time prior to the Acceptance Time.

In the event that the conditions (i), (ii) and (iv) (other than the conditions (i) and (ii) which cannot be waived) have not been satisfied and/or waived in whole or in part by the Underwriter on or before the Posting Date or in the event that the conditions (iii), (v) and (vi) (other than the condition (v) which cannot be waived) have not been satisfied and/or waived in whole or in part by the Underwriter on or before 4:00 p.m. on the Settlement Date, or such other time as specified therein (whichever is earlier) (or, in each case, such later date as the Underwriter and the Company may agree), all liabilities of the parties hereto shall cease and determine and neither party shall have any claim against the other.

UNDERWRITING AGREEMENT

Date:	2 September 2014
Underwriter:	Kingston Securities Limited
Total number of Rights Shares:	1,103,604,139 Rights Shares (assuming no new Share being issued and no Share being repurchased by the Company on or before the Record Date)
Total number of Underwritten Shares:	433,079,510 Rights Shares (having taken into account the Irrevocable Undertaking and on the basis that no new Share being issued, and no Share being repurchased, on or before the Record Date), being the total number of Rights Shares less 670,524,629 Rights Shares that Gold Throne has undertaken to subscribe and pay for or procure subscription and payment for pursuant to the Irrevocable Undertaking

Underwriting commission: Payable by the Company to the Underwriter at 2.5% of the aggregate Subscription Price in respect of the Underwritten Shares. The commission rate was determined after arm's length negotiations between the Company and the Underwriter with reference to, among other things, the scale of the Rights Issue and the market rate, and the Board considers that the underwriting commission rate is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Pursuant to the Underwriting Agreement, the Underwriter shall use its best endeavours to ensure that each of the subscribers or sub-underwriter(s) of the Untaken Shares procured by it (i) shall be an Independent Third Party and not acting in concert (within the meaning of the Takeovers Code) with the Company, the directors, the chief executive or substantial shareholders of the Company or its subsidiaries or any of their respective associates; and (ii) save for the Underwriter itself and its associates, shall not, together with any party acting in concert (within the meaning of the Takeovers Code) with it, hold 10.0% or more of the voting rights of the Company upon completion of the Rights Issue.

Termination of the Underwriting Agreement

The Underwriter shall be entitled by a notice in writing to the Company, served prior to 4:00 p.m. on the Settlement Date, to terminate the Underwriting Agreement if:

- (1) in the absolute opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (a) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which will in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof), of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
 - (c) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which would, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or

- (2) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, and a change in currency conditions shall include a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which in the absolute opinion of the Underwriter makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (3) the Prospectus when published contains information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company and which may in the absolute opinion of the Underwriter be material to the Group as a whole upon completion of the Rights Issue and is likely to affect materially and adversely the success of the Rights Issue.

The Underwriter shall also be entitled by a notice in writing to rescind the Underwriting Agreement if prior to 4:00 p.m. on the Settlement Date any material breach of any of the warranties contained in the Underwriting Agreement comes to the knowledge of the Underwriter and such material breach will have a material and adverse effect on the business, financial or trading position or prospect of the Group as a whole or the success of the Rights Issue or make it inadvisable or inexpedient to proceed with the Rights Issue. Any such notice shall be served by the Underwriter prior to 4:00 p.m. on the Settlement Date.

If prior to 4:00 p.m. on the Settlement Date any such notice as is referred to above is given by the Underwriter, the obligations of all parties under the Underwriting Agreement shall terminate forthwith (save for certain clauses in respect of “termination and force majeure” and “fees and expenses” which shall remain in full force).

Rescission or termination of the Underwriting Agreement shall be without prejudice to any rights of any party in respect of any breach by the other prior to such rescission or termination.

In such event of termination, the Rights Issue will not proceed.

CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY ARISING FROM THE RIGHTS ISSUE

Set out below is the shareholding structure of the Company immediately before and after completion of the Rights Issue (assuming there is no new Share being issued and no Share being repurchased by the Company on or before the Record Date):

Shareholders	As at the date of this announcement		Immediately after completion of the Rights Issue (assuming all Rights Shares are subscribed by the Qualifying Shareholders)		Immediately after completion of the Rights Issue (assuming no Rights Share is subscribed by the Qualifying Shareholders except Gold Throne)	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Gold Throne	1,341,049,258	60.76	2,011,573,887	60.76	2,011,573,887	60.76
Mr. Abraham Shek Lai Him (Note 2)	30,000	0.00	45,000	0.00	30,000	0.00
Underwriter	—	—	—	—	433,079,510	13.08
Public Shareholders	<u>866,129,020</u>	<u>39.24</u>	<u>1,299,193,530</u>	<u>39.24</u>	<u>866,129,020</u>	<u>26.16</u>
Total	<u>2,207,208,278</u>	<u>100.00</u>	<u>3,310,812,417</u>	<u>100.00</u>	<u>3,310,812,417</u>	<u>100.00</u>

Notes:

1. **This scenario is for illustrative purpose only.**

Under the Underwriting Agreement, in the event of the Underwriter being called upon to subscribe for or procure subscribers for the Underwritten Shares, the Underwriter shall use its best endeavours to ensure the public float requirements under Rule 8.08 of the Listing Rules be fulfilled by the Company upon completion of the Rights Issue.

2. Mr. Abraham Shek Lai Him is an independent non-executive Director and is also an independent non-executive director of CCIL.
3. The percentages are subject to rounding error.

REASONS FOR THE RIGHTS ISSUE

The principal activities of the Group are printing business and property business. Printing business comprises book printing and paper product printing while property business focuses on the operation of cemetery in the PRC.

As disclosed in the 2014 annual report of the Company, the worldwide publishing market has been impacted by the growing popularity of digital products, resulting in a gradual but continuous trend away from paper books among readers. This trend coupled with persistent global economic uncertainty continued to dampen the printing demand. In order to tackle this challenging market environment and mitigate the overall risk factor, more and more customers are changing their order pattern by placing orders with smaller quantities and shorter lead time. As a result, the Group needs to keep a higher level of paper stock in order to fulfill the tight delivery schedules of the customers. Furthermore, prices of indent paper are generally cheaper than those of market paper and indenting in bulk can also earn extra discount. Accordingly, having considered the above, the Group believes that by keeping a higher level of paper stock, the Group will be in a better position to secure more orders from customers.

With a view to reduce cost, the Group has taken a number of cost control measures, including negotiation with existing suppliers of materials other than paper for early settlement at a discount. In addition, the Group will also continuously source alternative materials from new suppliers with lower prices, despite new suppliers are normally prudent in granting credit terms. The Group believes that implementing such measures will further improve its price competitiveness, resulting in a higher chance of securing more orders from customers.

As at 31 August 2014, the Group's unaudited bank borrowings amounted to approximately HK\$70.8 million, of which approximately HK\$41.4 million are dominated in Hong Kong dollar and approximately HK\$29.4 million are denominated in Renminbi. The weighted average interest rate of the Hong Kong dollar bank borrowings amounted to 3.1% per annum whereas the weighted average interest rate of the Renminbi bank borrowings amounted to 7.5% per annum. In view of the high borrowing costs of the Renminbi bank borrowings, the Directors believe that it is in the interests of the Company to reduce all such bank borrowings and, in the future, if circumstance allows, the Company will switch to bank borrowings dominated in Hong Kong dollar.

In consideration of the above, the Board resolved to carry out fund raising exercise by way of the Rights Issue. The Directors consider the Rights Issue will allow the Company to strengthen its capital base and liquidity without incurring interest costs. It will also allow the Company to reduce its gearing ratio, thereby improving the financial health of the Group.

In addition, the Board considers that the Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and decrease its interests in the Company by disposing their rights entitlements in the open market. Hence, the Board considers that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

INTENDED USE OF PROCEEDS

The estimated net proceeds of the Rights Issue after deducting estimated expenses in relation to the Rights Issue will be approximately HK\$107.4 million. After taking into account the factors as outlined above, the Directors intend to use (i) as to approximately HK\$78.0 million to acquire additional paper stock for future orders, to early repay current suppliers upon successful negotiation for discount and to make cash purchase of alternative materials from new suppliers at lower prices and (ii) as to approximately HK\$29.4 million for repayment of bank borrowings dominated in Renminbi. The net price per Rights Share shall be approximately HK\$0.0973.

FUTURE PLANS, PROSPECTS AND FINANCIAL POSITION OF THE GROUP

Printing Business

The printing business of the Group comprises book printing and paper product printing and was the major turnover contributor of the Group. The Group's printing customers are mainly multinational publishers and conglomerates in the United States of America, Europe, Australia, New Zealand and Hong Kong. The Group's products mainly included art books, children books, premium gift items, luxury packaging boxes and paper bags for prestigious brands. With the objective of achieving better results in the coming financial years, the Group will concentrate on enhancing sales and cost control.

As regards enhancing sales, the Group will continue to strengthen its sales teams by focusing on cementing a stronger relationship with its existing customers and exploring new ones. By keeping a higher level of paper stock as detailed in the section headed "Reasons for the Rights Issue", the Group will have a greater flexibility in meeting customers' order pattern and, accordingly, the Group is confident that more orders from customers should be secured. Furthermore, the Group will continue to participate in large trade fairs and exhibitions all around the world to promote its comprehensive range of printing services.

As regards enhancing cost control, the Group will continue to implement a series of cost control measures, including improving its production efficiency through advance meticulous planning and close monitoring of utilization of production capacity. In addition, as detailed in the section headed "Reasons for the Rights Issue", the Group will switch to purchase of materials with lower costs either by negotiating discounts with existing suppliers or looking for new suppliers with lower costs. The Group believes that all these measures will improve its price competitiveness to attract more orders.

Currently, the Group mainly carries out its manufacturing operations in the factory located at Boluo, Huizhou in the PRC. The Group's another factory is located near the city centre of Changan, Dongguan in the PRC. Its surrounding area is well developed and occupied by premium residential and commercial buildings. In view of its high development potential, the Group will continue to negotiate with the local government to rezone and develop this site, either for commercial or residential use. In this respect, the Group is awaiting final rezoning decision from the local government and meanwhile, the Group will vacate the factory building and will consider temporarily lease out the factory premises in order to increase revenues to the Group.

Property Business — Cemetery Operations

The Group operates a cemetery — “Fortune Wealth Memorial Park” in Sihui, Guangdong in the PRC which comprises a site of 518 mu, and an adjacent site of 4,482 mu, which has been reserved, making a total of 5,000 mu.

In the coming financial year, the Group will continue to strengthen its sales effort and expand its agency network. Furthermore, the Group will continue to arrange joint promotion programmes with Fengshui masters in the PRC so as to enhance the public awareness and marketability of the cemetery. Recently, the local government has approved to establish a martyr memorial cemetery within Fortune Wealth Memorial Park to commemorate martyr so as to attract people to pay tribute and remembrance to the martyrs. The establishment of the martyr memorial cemetery will expose the cemetery to different market segments and customer groups and the Group believes that such a move is beneficial to the Group in the long term. Construction works of the martyr memorial cemetery has commenced in July 2014.

In order to further enhance the value of the cemetery, the Group constantly reviews the development plan of the cemetery. In this respect, the Group has completed an additional 1,042 grave plots, and will construct further grave plots, on the 100 mu of land located near the entrance of the cemetery. Furthermore, for long term development purpose, the Group is now in negotiation with the local government with a view to expand the cemetery by phases.

As majority of the existing customers of the cemetery are from cities located nearby the cemetery in Guangdong Province, improvements in infrastructure in these areas are important to the development of the cemetery. In this respect, the Group noted that certain major infrastructural development projects, such as 廣佛肇城際軌道系統, 港珠澳大橋 and 廣深港客運鐵路, are currently in progress and are expected to be completed in the coming years. Accordingly, the Group believes that, with the completion of such infrastructural development projects, the accessibility and marketability of the cemetery would be enhanced in the long term.

Financial Position

The Group has fully repaid all the outstanding principal amount of the convertible notes of the Group amounted to HK\$113.0 million, together with interest, in August 2014. Accordingly, as at the date of this announcement, the Group did not have any outstanding convertible notes. Furthermore, as detailed in the section headed “Reasons for the Rights Issue”, the Group will apply funds from the Rights Issue to reduce its bank borrowings denominated in Renminbi bearing high interest rates. As a result, the Group expects that, upon completion of the Rights Issue, financial costs in the coming financial years would be substantially reduced.

FUND RAISING ACTIVITIES DURING THE PAST 12 MONTHS

The Company has not conducted any equity fund raising exercise in the past 12 months immediately prior to the date of this announcement.

CHANGE IN BOARD LOT SIZE

The Board proposes that, subject to the completion of the Rights Issue, the board lot size of the Shares for trading on the Stock Exchange will be changed from 2,000 Shares to 20,000 Shares with effect from 9:00 a.m. on Thursday, 6 November 2014.

In order to facilitate the trading of odd lots (if any), the Company will arrange odd lot matching services during Thursday, 6 November 2014 to Wednesday, 26 November 2014 (both dates inclusive). Shareholders should note that matching of the sale and purchase of odd lots of the Shares is on a best effort basis and successful matching of the sale and purchase of such odd lots is not guaranteed. Further details in respect of the odd lots arrangement will be set out in the Prospectus.

EXPECTED TIMETABLE

The expected timetable for the Rights Issue and the change in board lot size is set out below:

Event	2014 (Hong Kong time)
Last day of dealings in Shares on a cum-rights basis	Tuesday, 30 September
First day of dealings in Shares on an ex-rights basis.....	Friday, 3 October
Latest time for Shareholders to lodge transfer of Shares in order to qualify for the Rights Issue	4:30 p.m. on Monday, 6 October
Closure of register of members (both dates inclusive).....	Tuesday, 7 October to Monday, 13 October
Record date determining entitlements to the Rights Issue	Monday, 13 October
Register of members re-opens	Tuesday, 14 October
Despatch of Prospectus Documents.....	Tuesday, 14 October
First day of dealings in nil-paid Rights Shares.....	9:00 a.m. on Thursday, 16 October
Latest time for splitting nil-paid Rights Shares.....	4:30 p.m. on Monday, 20 October
Last day of dealing in nil-paid Rights Shares	4:00 p.m. on Thursday, 23 October
Latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares	4:00 p.m. on Tuesday, 28 October

Latest time to terminate the Underwriting Agreement and for the Rights Issue to become unconditional.....	4:00 p.m. on Monday, 3 November
Announcement of results of the Rights Issue.....	Tuesday, 4 November
Certificates for fully-paid Rights Shares to be despatched on or before	Wednesday, 5 November
Refund cheques to be despatched in relation to wholly or partially unsuccessful application for excess Rights Shares on or before.....	Wednesday, 5 November
Commencement of dealings in fully-paid Rights Shares.....	9:00 a.m. on Thursday, 6 November
Effective date of the change in board lot size from 2,000 Shares to 20,000 Shares.....	9:00 a.m. on Thursday, 6 November
Designated broker starts to stand in the market to provide matching services for sale and purchase of odd lots of Shares	9:00 a.m. on Thursday, 6 November
Designated broker ceases to stand in the market to provide matching services for sale and purchase of odd lots of Shares	4:00 p.m. on Wednesday, 26 November

Dates or deadlines specified in this announcement are indicative only and may be varied by agreement between the Company and the Underwriter. Any consequential changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND RIGHTS SHARES

The Shares will be dealt in on an ex-rights basis from Friday, 3 October 2014. Dealings in the Rights Shares in the nil-paid form will take place from Thursday, 16 October 2014 to Thursday, 23 October 2014 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled or the Underwriting Agreement is terminated, the Rights Issue will not proceed.

Any Shareholders or other persons contemplating selling or purchasing Shares and/or Rights Shares in their nil-paid form who are in any doubt about their position are recommended to consult their professional advisers. Any Shareholders or other persons dealing in Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter’s right of termination of the Underwriting Agreement ceases) and any persons dealing in the nil-paid Rights

Shares during the period from Thursday, 16 October 2014 to Thursday, 23 October 2014 (both dates inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed.

LISTING RULES IMPLICATIONS

Subject to the Irrevocable Undertaking and the terms and conditions of the Underwriting Agreement, the Rights Issue is fully underwritten by the Underwriter. As the Rights Issue would not increase either the issued share capital or the market capitalisation of the issuer by more than 50%, the Rights Issue is not required by the Listing Rules to be approved by the Shareholders in a general meeting.

GENERAL

The Prospectus Documents containing, among other things, further details of the Rights Issue and change in board lot size are expected to be despatched by the Company to Qualifying Shareholders on or before Tuesday, 14 October 2014, and the Prospectus will be despatched to the Non-Qualifying Shareholders for information only.

The last day of dealings in the Shares on a cum-rights basis will be Tuesday, 30 September 2014. The Shares will be dealt with on an ex-rights basis from Friday, 3 October 2014. To qualify for the Rights Issues, a Qualifying Shareholder's name must appear on the register of members of the Company at the close of business on the Record Date, which will be Monday, 13 October 2014. In order to be registered as members on the Record Date, any transfers of Shares (together with the relevant share certificates) must be lodged for registration with the Registrar by 4:30 p.m. on Monday, 6 October 2014 (the register of members of the Company will be closed from Tuesday, 7 October 2014 to Monday, 13 October 2014, both dates inclusive).

DEFINITIONS

In this announcement, unless the context otherwise required, the following words and phrases have the following meanings:

“Acceptance Time”	4:00 p.m. on Tuesday, 28 October 2014 (or such other time or date as the Underwriter may agree in writing with the Company as the latest date for acceptance of, and payment of, Rights Shares)
“associates”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday or public holiday or a day on which typhoon signal no. 8 or above or black rainstorm is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks are generally open for business in Hong Kong

“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCIL”	Chuang’s Consortium International Limited (stock code: 367), a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Stock Exchange. CCIL, through Gold Throne, is beneficially interested in approximately 60.76% of the existing total issued share capital of the Company as at the date of this announcement
“Company”	Midas International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the main board of the Stock Exchange
“connected persons”	has the meanings ascribed thereto under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Directors”	the directors of the Company
“EAF(s)”	the excess application form(s) to be issued in connection with the Rights Issue
“Gold Throne”	Gold Throne Finance Limited, a company incorporated in the British Virgin Islands with limited liability, a wholly-owned subsidiary of CCIL
“Group”	the Company and its subsidiaries
“HKSCC”	the Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	person(s) or company(ies) who/which is(are) independent of and not connected (as defined under the Listing Rules) with the Company, the directors, the chief executive or substantial shareholders of the Company or its subsidiaries or any of their respective associates
“Irrevocable Undertaking”	the irrevocable undertaking dated 2 September 2014 under which Gold Throne has irrevocably undertaken to the Company to, among other things, accept and pay for in full its entitlements under the Rights Issue
“Last Trading Day”	Tuesday, 2 September 2014, being the date of entering into the Underwriting Agreement

“Listing Committee”	the listing sub-committee of the board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is (are) outside Hong Kong where the Directors, based on advice provided by legal advisers, consider it necessary or expedient to exclude any such Shareholders on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Overseas Shareholder(s)”	shareholder(s) whose name(s) appear on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is/are in a place(s) outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be issued in connection with the Rights Issue
“Posting Date”	Tuesday, 14 October 2014, or such other day as may be agreed between the Company and the Underwriter, being the date of despatch of the Prospectus Documents
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, Taiwan and the Macau Special Administrative Region of the People’s Republic of China
“Prospectus”	the prospectus to be issued by the Company in relation to the Rights Issue
“Prospectus Documents”	the Prospectus, PAL and EAF
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholders, whose name(s) appear on the register of members of the Company at the close of business on the Record Date
“Record Date”	Monday, 13 October 2014 or such other date as the Underwriter may agree in writing with the Company as the date by reference to which entitlements to the Rights Issue are expected to be determined
“Registrar”	Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong

“Rights Issue”	the offer of 1,103,604,139 Rights Shares by way of rights to the Qualifying Shareholders on the basis of one (1) Rights Share for every two (2) Shares held on the Record Date on the terms to be set out in the Prospectus Documents and summarized herein
“Rights Share(s)”	1,103,604,139 Shares to be offered to the Qualifying Shareholders for subscription on the basis of one (1) Rights Share for every two (2) Shares held at the Record Date pursuant to the Rights Issue
“Settlement Date”	Monday, 3 November 2014, being the fourth Business Day following the Acceptance Time or such later date as the Company and the Underwriter may agree
“SFO”	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 share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.10 per Rights Share
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers
“Underwriter”	Kingston Securities Limited, a corporation licensed to carry out Type 1 (dealing in securities) regulated activity under the SFO
“Underwriting Agreement”	the underwriting agreement dated 2 September 2014 entered into between the Company and the Underwriter in relation to the underwriting and certain other arrangements in respect of the Rights Issue
“Underwritten Shares”	all Rights Shares which are not the subject of the Irrevocable Undertaking, being 433,079,510 Rights Shares
“Untaken Shares”	the Underwritten Shares which have not been taken up by the Qualifying Shareholders
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“RMB” Renminbi, the lawful currency of the PRC

“%” per cent.

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

Hong Kong, 2 September 2014

As at the date of this announcement, Mr. Richard Hung Ting Ho, Miss Candy Chuang Ka Wai and Mr. Geoffrey Chuang Ka Kam are Executive Directors, Mr. Dominic Lai is a Non-Executive Director, Mr. Abraham Shek Lai Him, Dr. Eddy Li Sau Hung and Mr. Yau Chi Ming are Independent Non-Executive Directors of the Company.