MIDAS

勤達集團國際有限公司*

Midas International Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1172)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2018

The board of directors (the "Board") of Midas International Holdings Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (collectively as the "Group") for the year ended 31 March 2018 as follows:

FINANCIAL HIGHLIGHTS

	2018	2017	Change
Revenue[1]	**HK$222 million**	HK$195 million	+14%
Gross profit[1]	**HK$70 million**	HK$62 million	+13%
Profit attributable to shareholders			
– Continuing operations	**HK$15 million**	HK$8 million	+74%
– Continuing and discontinued operations	**HK$15 million**	HK$50 million	– 71%
Earnings per share	**0.44 HK cent**	1.52 HK cents	– 71%
Dividend per share – special[2]	**1 HK cent**	–	N/A
Shareholders' funds	**HK$638 million**	HK$642 million	– 1%
Net asset value per share	**HK$0.19**	HK$0.19	–

1 *excluding net gain/loss of financial assets at fair value through profit or loss*

2 *already paid on 26 May 2017*

* *For identification purpose only*

RESULTS

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2018

	Notes	2018 HK$'000	2017 HK$'000
Continuing operations			
Revenue	2	**222,119**	195,137
Cost of sales		**(152,431)**	(133,288)
Gross profit		**69,688**	61,849
Other income, expense and net gain	4	**12,329**	10,750
Selling and marketing expenses		**(13,519)**	(13,131)
Administrative and other operating expenses		**(55,289)**	(53,825)
Change in fair value of investment properties		**5,089**	4,000
Operating profit	5	**18,298**	9,643
Finance costs	6	**(2,379)**	(1,098)
Profit before taxation		**15,919**	8,545
Taxation	7	**(1,223)**	(114)
Profit for the year from continuing operations		**14,696**	8,431
Discontinued operation			
Profit for the year from discontinued operation	8	**–**	41,976
Profit for the year		**14,696**	50,407
Profit for the year attributable to:			
Equity holders of the Company			
Continuing operations		**14,696**	8,431
Discontinued operation		**–**	42,006
		14,696	50,437
Non-controlling interests			
Discontinued operation		**–**	(30)
		14,696	50,407
		HK cent	*HK cents*
Earnings per share (basic and diluted)	10		
Continuing operations		**0.44**	0.25
Discontinued operation		**–**	1.27
		0.44	1.52

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2018

	2018	2017
	HK$'000	*HK$'000*
Profit for the year	**14,696**	50,407
Other comprehensive income/(loss):		
Items that may be reclassified subsequently to profit or loss		
Net exchange differences	**14,023**	(22,240)
Realization of exchange reserve upon disposal of subsidiaries	**–**	(29,544)
Total other comprehensive income/(loss) that may be reclassified subsequently to profit or loss	**14,023**	(51,784)
Total comprehensive income/(loss) for the year	**28,719**	(1,377)
Total comprehensive income/(loss) for the year attributable to:		
Equity holders of the Company		
Continuing operations	**28,719**	8,431
Discontinued operation	**–**	(6,889)
	28,719	1,542
Non-controlling interests		
Discontinued operation	**–**	(2,919)
Total comprehensive income/(loss) for the year	**28,719**	(1,377)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2018

	Notes	2018 HK$'000	2017 HK$'000
Non-current assets			
Prepaid lease payments		**3,169**	3,287
Property, plant and equipment		**33,592**	38,616
Investment properties	*11*	**516,381**	196,081
Other non-current assets	*12*	**42,788**	–
Amount due from a fellow subsidiary	*13*	**–**	112,880
		595,930	350,864
Current assets			
Inventories	*14*	**27,129**	29,150
Properties for sale	*15*	**57,095**	–
Accounts receivable	*16*	**50,284**	35,002
Deposits, prepayments and other receivables		**24,458**	12,814
Financial assets at fair value through profit or loss		**68,099**	112,095
Cash and bank balances		**128,038**	279,754
		355,103	468,815
Current liabilities			
Accounts payable	*17*	**30,173**	21,539
Accrued charges and other payables		**49,738**	33,802
Taxation payable		**57,188**	50,022
Bank borrowings – due within one year		**26,268**	36,040
		163,367	141,403
Net current assets		**191,736**	327,412
Total assets less current liabilities		**787,666**	678,276
Non-current liabilities			
Deferred taxation liabilities		**60,729**	11,578
Bank borrowings – due after one year		**89,068**	24,440
		149,797	36,018
		637,869	642,258
Equity			
Share capital		**331,081**	331,081
Reserves		**306,788**	311,177
Total equity		**637,869**	642,258

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2018

	2018	2017
	HK$'000	*HK$'000*
Net cash generated from operating activities	**44,237**	5,540
Net cash (used in)/generated from investing activities	**(144,935)**	182,325
Net cash (used in)/generated from financing activities	**(51,336)**	48,875
Net (decrease)/increase in cash and cash equivalents	**(152,034)**	236,740
Cash and cash equivalents at the beginning of the year	**279,754**	43,078
Exchange difference on cash and cash equivalents	**318**	(64)
Cash and cash equivalents at the end of the year	**128,038**	279,754

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties at fair value and financial assets at fair value through profit or loss, and in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and by the Hong Kong Companies Ordinance.

Prior to 19 December 2017, the directors of the Company regarded Chuang's Consortium International Limited ("CCIL"), a limited liability company incorporated in Bermuda, as its ultimate holding company and Gold Throne Finance Limited ("Gold Throne"), a company incorporated in British Virgin Islands, as its immediate holding company (collectively "Chuang's"). On 19 December 2017, CCIL completed a major transaction by disposing the entire interests in the Company to Qingda Developments Limited ("Qingda") and the directors regard Qingda, a company incorporated in British Virgin Islands, as its immediate holding company. Gold Throne ceased to be the immediate holding company of the Company. The controlling shareholder of the Company has been changed from Chuang's to Qingda, which is indirectly wholly-owned by Integrity Fund Limited Partnership, an exempted limited partnership registered in the Cayman Islands. The directors of the Company consider Integrity Fund Limited Partnership as the ultimate parent of the Company.

Effect of adopting amendments to standards

For the financial year ended 31 March 2018, the Group adopted the following amendments to standards that are effective for the accounting periods beginning on or after 1 April 2017 and relevant to the operations of the Group:

HKAS 7 (Amendment)	Cash Flow Statements – Disclosure Initiative
HKAS 12 (Amendment)	Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses
HKFRS 12 (Amendment)	Disclosure of Interests in Other Entities

The Group has assessed the impact of the adoption of these amendments to standards and considered that there was no significant impact on the Group's results and financial position nor any substantial changes in the Group's accounting policies and presentation of the financial statements, except for the amendment to HKAS 7 requiring disclosure of changes in liabilities arising from financing activities.

Amendment to standard that is not yet effective but has been early adopted

The following amendment to standard was early adopted by the Group from 1 April 2017:

HKAS 40 (Amendment)	Investment Property – Transfers of Investment Property

The amendment to HKAS 40 clarified that, to transfer to or from, investment properties, there must be a change in use. A change in use would involve (a) an assessment of whether a property meets the definition of investment property; and (b) supporting evidence that a change in use has occurred. The amendment also recharacterised the list of circumstances in the standard as a non-exhaustive list of examples. The Group considers that the revised standard better reflects the intended use of the properties of the Group, and has early adopted the amended standard. There was no significant impact to the Group as a result of the adoption of the amended standard for the current year.

The Group's assessment of the impact of the new standards that are mandatory for the Company's accounting periods beginning on or after 1 April 2018, which may have an impact to the Group's accounting policies and presentation of the consolidated financial statements are described below:

HKFRS 9 Financial Instruments

The new standard addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

The Group does not expect the new standard to have significant impact on the classification, measurement and disclosures of its financial assets and liabilities. Financial assets currently classified as fair value through profit or loss under HKAS 39, will be continually classified as financial assets at fair value through profit or loss under HKFRS 9.

The new impairment model requires the recognition of impairment provisions based on expected credit losses ("ECL") rather than only incurred credit losses as is the case under HKAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at fair value through other comprehensive income, contract assets under HKFRS 15 Revenue from Contracts with Customers, lease receivables, loan commitments and certain financial guarantee contracts. Management considers that there would be no material impact to the Group in this regard.

HKFRS 15 Revenue from Contracts with Customers

The HKICPA has issued a new standard for the recognition of revenue. This will replace HKAS 18 which covers contracts for goods and services and HKAS 11 which covers construction contracts and the related literature. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

Management has assessed the effects of applying the new standard on the Group's financial statements and considers that there would be no material changes to the existing revenue recognition policy in this regard.

2. REVENUE

Revenue recognized during the year is as follows:

	2018	2017
	HK$'000	*HK$'000*
Continuing operations		
Sales of printed products	**203,766**	186,034
Rental income	**10,528**	993
Interest income from financial assets at fair value through profit or loss	**7,825**	8,110
	222,119	195,137

3. SEGMENT INFORMATION

(a) Segment information by business lines

The operating segments of the Group are determined based on internal reporting to the Group's CODM (the executive directors of the Company) for the purposes of assessing performance and allocating resources. The internal reporting focuses on the strategic operation and development of each business unit, which business units with similar economic characteristics are organised into an operating segment for the Group's CODM to evaluate its performance.

The Group's operating and reportable segments are as follows:

Printing	–	Manufacture and sale of printed products
Property investment	–	Investment and leasing of real estate properties
Property development	–	Development, sale and trading of real estate properties
Securities investment and trading	–	Investment and trading of listed debt and equity instruments
Others	–	other non-reportable business activities and operating segments.

The Group's CODM assesses the performance of the operating segments based on a measure of earnings or loss before interest expense and tax ("EBIT or LBIT") and earnings or loss before interest expense, tax, depreciation and amortization ("EBITDA or LBITDA").

During the year ended 31 March 2017, the Group disposed of the cemetery operation and the results of such operation together with the related net gain on disposal had been presented as discontinued operation in segment information.

The segment information by business lines is as follows:

	Printing	**Property investment**	**Property development**	**Securities investment and trading**	**Others and corporate**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000* *(note ii)*	*HK$'000*
For the year ended 31 March 2018						
Revenue	203,766	10,528	–	7,825	–	222,119
EBITDA/(LBITDA)	14,909	11,561	–	5,191	(170)	31,491
Depreciation and amortization	(13,191)	–	–	–	(2)	(13,193)
Segment result – EBIT/(LBIT)	1,718	11,561	–	5,191	(172)	18,298
Finance costs						(2,379)
Profit before taxation						15,919
Taxation						(1,223)
Profit for the year						14,696
As at 31 March 2018						
Total assets	141,954	563,429	85,060	111,329	49,261	951,033
Total liabilities	83,634	177,192	8,509	5	43,824	313,164

	Continuing operations					Discontinued operation	
	Printing	Property investment	Securities investment and trading	Others and corporate	Total	Property business-cemetery	Total
	HK$'000	*HK$'000*	*HK$'000* *(note i)*	*HK$'000* *(note ii)*	*HK$'000*	*HK$'000*	*HK$'000*
For the year ended 31 March 2017							
Revenue	186,034	993	8,110	–	195,137	17,574	212,711
EBITDA/(LBITDA)	15,375	4,917	10,499	(7,348)	23,443	(310)	23,133
Depreciation and amortization	(13,800)	–	–	–	(13,800)	(773)	(14,573)
Segment result – EBIT/(LBIT)	1,575	4,917	10,499	(7,348)	9,643	(1,083)	8,560
Finance costs					(1,098)	127	(971)
Profit/(loss) before taxation					8,545	(956)	7,589
Taxation (charge)/credit					(114)	749	635
Profit/(loss) after taxation					8,431	(207)	8,224
Net gain on transaction after taxation *(note 8)*					–	42,183	42,183
Profit for the year					8,431	41,976	50,407
As at 31 March 2017							
Total assets	118,592	309,238	112,095	279,754	819,679	–	819,679
Total liabilities	61,553	17,048	34	98,786	177,421	–	177,421

Notes:

(i) During the year, following the change in controlling shareholder of the Company set out in note 1, the CODM and respective reporting for securities investment and trading segment have been changed accordingly. The comparative figures have been reclassified to conform with presentation adopted for the current year.

(ii) Total liabilities of the "Other and corporate" segment includes taxation payable of approximately HK$41,513,000 (2017: HK$37,836,000) which relates to the disposal of the discontinued operation during the year ended 31 March 2017 (note 8). As at 31 March 2017, total assets of the segment included deferred consideration receivable recorded as "Amount due from a fellow subsidiary" of approximately HK$112,880,000 (note 13).

(b) Geographical segment information

The business of the Group operates in different geographical areas. Revenue is presented by the countries where the customers are located. Non-current assets and capital expenditures are presented by the countries where the assets are located. The segment information by geographical area is as follows:

	Revenue		Capital expenditures	
	2018	2017	**2018**	2017
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000* *(note i)*
Continued operations				
Hong Kong *(refer to note 4 (ii)(iii))*	**29,657**	19,937	**339,265**	1,877
The PRC	**14,907**	4,065	**12,360**	163,496
United States of America	**87,910**	76,894	**–**	–
United Kingdom	**21,327**	28,569	**–**	–
Germany	**17,298**	18,971	**–**	–
France	**27,400**	25,742	**–**	–
Other countries	**23,620**	20,959	**–**	–
	222,119	195,137	**351,625**	165,373
Discontinued operations	**–**	17,574	**–**	13,418
	222,119	212,711	**351,625**	178,791

	Non-current assets	
	2018	2017
	HK$'000	*HK$'000*
Continued operations		
Hong Kong *(refer to note 4(ii)(iii))*	**382,242**	43,813
The PRC *(note ii)*	**213,688**	307,051
	595,930	350,864
Discontinued operation	**–**	–
	595,930	350,864

Notes:

(i) In regard to PRC segment, the equity interests in Chuang's Development (Chengdu) Limited and Sino Success Limited and its subsidiary were acquired on 31 March 2017 and accordingly, investment properties of the Group were increased by HK$154,081,000.

(ii) At 31 March 2017, non-current assets of the continuing operations in the PRC comprised deferred consideration receivable (recorded as "Amount due from a fellow subsidiary") of HK$112,880,000 (note 13).

4. OTHER INCOME, EXPENSE AND NET GAIN

	2018	2017
	HK$'000	*HK$'000*
Continuing operations		
Interest income from bank deposits	**207**	25
Interest income from deferred consideration receivable	**2,247**	–
Sales of scraped materials	**2,328**	2,977
Gain on disposal of property, plant and equipment	**5,739**	4,476
(Loss)/net gain of financial assets of fair value through profit or loss *(note i)*	**(2,669)**	2,493
Net gain on acquisition of subsidiaries *(note ii)*	**1,828**	–
Transaction costs on acquisition of a property business *(note iii)*	**(3,400)**	–
Net exchange gain	**7,214**	314
Sundries	**(1,165)**	465
	12,329	10,750

Notes:

(i) Comparative amounts have been reclassified to conform with current year's presentation: A reclassification of net gain of financial assets at fair value through profit or loss of HK$2,493,000 from "Revenue and net gain" to "Other income and net gain" to reflect the nature of the transaction following the change in controlling shareholder and respective management of the Group.

(ii) On 6 July 2017, the Company entered into a sale and purchase agreement with Chuang's Consortium International Limited, the then parent of the Company, to acquire its equity interests in the companies that held investment properties in Hong Kong (valued at HK$260.0 million at the date of acquisition) at a net consideration of HK$158.1 million (the "Acquisition of Subsidiaries"). The Acquisition of Subsidiaries was announced by the Company on 6 July 2017 and published in the circular on 4 August 2017 respectively. The transaction was completed on 24 August 2017. The properties were recorded as investment properties and a negative goodwill on the Acquisition of Subsidiaries amounting to HK$5.4 million (before netting of transaction costs) was recorded upon completion. Details of the Acquisition of Subsidiaries are shown in note 18(b).

(iii) On 13 April 2017, a wholly-owned subsidiary of the Company entered into a sale and purchase agreement with an independent third party to acquire a property (for commercial use) in Hong Kong at a consideration of HK$40.0 million (before netting of transaction costs). The transaction was completed on 17 May 2017 and the property was recorded as an investment property. Since the consideration is equal to the fair value of the property business, except for the transaction costs, no goodwill was recognized upon completion. Details of the acquisition of a property business are shown in note 18(a).

5. OPERATING PROFIT

	2018	2017
	HK$'000	*HK$'000*
Continuing operations		
Operating profit is stated after charging/(crediting):		
Cost of inventories sold	**151,425**	133,256
Depreciation	**13,075**	13,682
Less: Amount capitalized and included in cost of inventories sold for printing business	**(10,822)**	(11,281)
Depreciation included in administrative and other operating expenses	**2,253**	2,401
Reversal of provision for impairment of inventories (included in cost of sales)	**(792)**	(1,420)
Amortization of prepaid lease payments	**118**	118

6. FINANCE COSTS

	2018	2017
	HK$'000	*HK$'000*
Continuing operations		
Interest expenses on bank borrowings	**2,379**	1,098

7. TAXATION

	2018	2017
	HK$'000	*HK$'000*
Continuing operations		
Taxation charge comprises:		
Current tax	**361**	–
Deferred taxation	**862**	114
	1,223	114

Hong Kong profits tax has been provided at 16.5% of the estimated assessable profit for the year ended 31 March 2018 (2017: nil). The PRC Corporate income tax for the Group's subsidiaries in the PRC is charged at 25% of the assessable profits, and for taxable income derived from the PRC by subsidiaries located outside the territory is charged at PRC withholding corporate income tax rate of 10%. No provision for PRC corporate income tax had been provided as the Group had sufficient tax losses to offset the estimated assessable profit for the year ended 31 March 2017.

8. DISCONTINUED OPERATION

On 21 January 2017, the Company entered into a sale and purchase agreement with Chuang's China Investments Limited ("Chuang's China"), a then fellow subsidiary of the Company, to dispose of its equity interests in Fortune Wealth Consortium Limited and its subsidiaries (the "FW Group") at a consideration of RMB398.0 million (equivalent to approximately HK$449.3 million). The FW Group was principally engaged in the development and operation of a cemetery located in Sihui, the PRC. The transaction was completed on 31 March 2017 and the consideration was satisfied partially in cash of RMB174.0 million, partially in exchange of investment properties of RMB124.0 million through the acquisition of 100% equity interests in Chuang's Development (Chengdu) Limited and Sino Success Limited and its subsidiary (together, the "Acquired Subsidiaries") and partially by a deferred consideration (with the exchange of certain properties through acquisition of relevant entities) of RMB100.0 million (recorded as "Amount due from a fellow subsidiary" in the consolidated statement of financial position, see note 13). The Acquired Subsidiaries were principally engaged in property investment in the PRC. The deferred consideration was receivable on or before 31 March 2020 and bore an interest of 2% per annum, which was settled on 8 March 2018 through acquisition of certain residential villas in the PRC and cash valued at a total of RMB100.0 million. Accordingly, the consolidated results of FW Group for the year ended 31 March 2017 have been presented as discontinued operation in the consolidated financial statements.

Results of discontinued operation

	2017
	HK$'000
Revenue	17,574
Cost of sales	(3,459)
Gross profit	14,115
Other income, expense and net gain	564
Selling and marketing expenses	(9,577)
Administrative and other operating expenses	(6,185)
Operating loss	(1,083)
Finance income	127
Loss before taxation	(956)
Taxation credit	749
Loss after taxation	(207)
Net gain on transaction after taxation	42,183
Profit for the year from discontinued operation	41,976

9. DIVIDENDS

On 19 April 2017, the Board declared a special dividend of 1.0 HK cent per share amounting to approximately HK$33.1 million and was paid on 26 May 2017. This special dividend is reflected and accounted for as an appropriation of reserves for the year ended 31 March 2018.

The Board does not recommend the payment of a final dividend for the year ended 31 March 2018 (2017: nil). No interim dividend was declared during the year (2017: nil).

10. EARNINGS PER SHARE

The calculation of the earnings per share is based on the following profit attributable to equity holders and the weighted average number of shares in issue during the year:

	2018	2017		
		Continuing operations	Discontinued operation	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Profit attributable to equity holders of the Company	**14,696**	8,431	42,006	50,437

	Number of shares	
	2018	2017
Weighted average number of shares	**3,310,812,417**	3,310,812,417

The dilute earnings per share is equal to the basic earnings per share since there are no dilutive potential shares in issue during both years.

11. INVESTMENT PROPERTIES

	2018	2017
	HK$'000	*HK$'000*
Completed commercial properties		
At the beginning of the year	**196,081**	38,000
Acquisition of business and subsidiaries *(note 18)*	**300,000**	154,081
Change in fair value	**5,089**	4,000
Changes in exchanges rates	**15,211**	–
	516,381	196,081

Investment properties of the Group are located in Hong Kong and the Mainland China, and were revalued at 31 March 2018 on an open market value basis by Grant Sherman Appraisal Limited, an independent professional valuer.

12. OTHER NON-CURRENT ASSETS

	2018	2017
	HK$'000	*HK$'000*
Tax indemnity upon sales of properties (note)	**37,658**	–
Prepayment for acquisition of property, plant and equipment	**5,130**	–
	42,788	–

Note:

Balance represents the tax indemnity from CCIL in relation to the Acquisition of Subsidiaries (note 18(b)). According to the sale and purchase agreement, CCIL shall indemnify the Group for any profits tax liabilities arising from the subsequent sales of the properties acquired by the Group through the Acquisition of Subsidiaries with the maximum amount of HK$37,658,000.

13. AMOUNT DUE FROM A FELLOW SUBSIDIARY

Amount due from a fellow subsidiary represented the deferred consideration receivable from Chuang's China for the disposal of the cemetery operation during the year ended 31 March 2017 (note 8). During the year, it was settled through acquisition of certain residential villas in the PRC and cash valued at a total of RMB100.0 million (equivalent to approximately HK$124.0 million) at the settlement date on 8 March 2018 from Chuang's China.

As at 31 March 2017, the amount was unsecured and interest bearing at 2% per annum.

14. INVENTORIES

	2018	2017
	HK$'000	*HK$'000*
Raw materials	**12,792**	14,771
Work in progress	**9,393**	6,063
Finished goods	**4,944**	8,316
	27,129	29,150

15. PROPERTIES FOR SALE

As at 31 March 2018, the balance represents certain residential villas held for sale situated in Hunan Province, the PRC, which were acquired through settlement of the deferred consideration receivable by Chuang's China during the year (note 13).

16. ACCOUNTS RECEIVABLE

The Group allows a credit period ranging from 30 days to 180 days to its trade customers of the printing business. Rental income is received in advance.

The aging analysis of the accounts receivable based on the date of invoices and net of provision for doubtful debts is as follows:

	2018	2017
	HK$'000	*HK$'000*
Below 30 days	**19,355**	8,511
31 to 60 days	**8,658**	6,483
61 to 90 days	**9,688**	6,869
Over 90 days	**12,583**	13,139
	50,284	35,002

17. ACCOUNTS PAYABLE

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

	2018	2017
	HK$'000	*HK$'000*
Below 30 days	**8,940**	13,769
31 to 60 days	**3,670**	4,073
61 to 90 days	**6,604**	891
Over 90 days	**10,959**	2,806
	30,173	21,539

18. BUSINESS COMBINATION

(a) Acquisition of a property business

The following table summarizes the consideration, the fair value of the assets acquired and liabilities assumed at the acquisition date, and the analysis of cash flows from business combination:

	2018
	HK$'000
Cash consideration paid	40,000
Recognized amounts of identifiable assets acquired and liabilities assumed at fair value:	
Investment property	40,000
Cash and bank balances	262
Accrued charges and other payables	(262)
	40,000
Analysis of other costs incurred on acquisition of the property business:	
Transaction costs	3,400
Analysis of the net cash outflow on acquisition of the property business:	
Cash consideration paid	(40,000)
Transaction costs paid	(3,400)
Cash and bank balances acquired	262
	(43,138)

The Group measures its fair value of net assets acquired with reference to the valuation based on direct comparison method carried out by Colliers International (Hong Kong) Limited ("Colliers"), an independent valuer who holds a recognized relevant professional qualification and has recent experience in the locations and segments of assets valued, as at the acquisition date and the current use equates to the highest and best use. Acquisition-related costs have been charged to "Other income, expense and net gain" in the consolidated income statement for the year ended 31 March 2018.

No contingent consideration arrangements or contingent liabilities were identified at acquisition.

(b) Acquisition of Subsidiaries

The following table summarizes the consideration, the fair value of the assets acquired and liabilities assumed at the acquisition date, and the analysis of cashflows from business combination:

	2018
	HK$'000
Cash consideration paid	158,109
Recognized amounts of identifiable assets acquired and liabilities assumed at fair value:	
Investment properties	260,000
Other non-current assets	37,658
Deposits, prepayments and other receivables	254
Accrued charges and other payables	(21,764)
Taxation payable	(3,132)
Bank borrowings	(70,749)
Deferred taxation liabilities	(38,730)
Total identifiable net assets	163,537
Negative goodwill on acquisition	(5,428)
	158,109
Analysis of net gain on Acquisition of Subsidiaries:	
Negative goodwill on acquisition	5,428
Less: Transaction costs	(3,600)
	1,828
Analysis of net cash outflow on Acquisition of Subsidiaries:	
Cash consideration paid	(158,109)
Transaction costs paid	(3,600)
	(161,709)

A negative goodwill of HK$5.4 million (before netting of transaction costs) was recorded in "Other income, expense and net gain" for the year ended 31 March 2018. The Group measures its fair value of net assets acquired with reference to the valuation based on direct comparison method carried out by Colliers as at the acquisition date and the current use equates to the highest and best use. Acquisition-related costs have been charged to "Other income, expense and net gain" in the consolidated income statement for the year ended 31 March 2018.

No contingent consideration arrangements or contingent liabilities were identified at acquisition.

19. EVENT AFTER THE REPORTING PERIOD

The Company proposes to change its name to "Magnus Concordia Group Limited" and such change is subject to shareholders' approval at the Company's adjourned extraordinary general meeting to be held on 29 June 2018.

DIVIDEND

The Board has resolved not to recommend the payment of a final dividend for the year ended 31 March 2018 (2017: nil). On 19 April 2017, the Board declared a special dividend of 1.0 HK cent per share amounting to approximately HK$33.1 million and was paid on 26 May 2017. No interim dividend was declared and paid during the year (2017: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Review of financial performance

For the year ended 31 March 2018, the Group recorded a consolidated revenue of approximately HK$222 million (2017: HK$195 million), representing an increase of 14% from last year. The growth in revenue was mainly driven by the promising increment in revenue from sale of printed products in the Greater China region, as well as the upsurge in rental income contributed from the investment properties acquired during the year and at the end of last year. The Group's gross profit increased by 13% from last year to approximately HK$70 million (2017: HK$62 million), while the Group is able to maintain a steady gross margin of 31.4% (2017: 31.7%) of the consolidated revenue.

Despite the pressure of increasing operating costs brought by inflation and business expansion, the Group's selling and marketing expenses as well as administrative and other operating expenses had only recorded a moderate increment of 3% from last year, amounted to approximately HK$14 million (2017: HK$13 million) and HK$55 million (2017: HK$54 million) respectively.

The Group's other net income and net gain amounted to approximately HK$12 million (2017: HK$11 million), whereas the fair value gain from revaluation of investment properties amounted to approximately HK$5 million (2017: HK$4 million). Such increment was mainly contributed from the relevant incidental income and gain derived from the properties located in Changsha, Chengdu, Guangzhou and Hong Kong acquired by the Group during the year and at the end of last year, after netting off the drop in fair value of quoted bonds investments of approximately HK$3 million (2017: net gain of HK$2 million). Consequently, the Group's finance costs increased to approximately HK$2 million (2017: HK$1 million) and taxation charge increased to approximately HK$1 million (2017: HK$0.1 million) resulting from the acquisition and fair value appreciation of the properties.

During the year, the Group recorded a profit before taxation of approximately HK$16 million (2017: continuing operations of approximately HK$9 million), which was contributed from the following operating segments and factors:

(i) Printing business – profit of approximately HK$2 million (2017: HK$2 million);

(ii) Property investment – profit of approximately HK$12 million (2017: HK$5 million);

(iii) Property development – nil (2017: nil);

(iv) Securities investment and trading – profit of approximately HK$5 million (2017: HK$10 million);

(v) Net corporate expenses of approximately HK$1 million (2017: HK$7 million), which included net exchange gain of approximately HK$7 million (2017: nil); and

(vi) Finance costs of approximately HK$2 million (2017: HK$1 million).

Profit for the year attributable to equity holders of the Company amounted to approximately HK$15 million (2017: HK$50 million, comprising continuing operations of HK$8 million and a discontinued operation of HK$42 million), and earnings per share was 0.44 HK cent (2017: 1.52 HK cents). The decrease in profit was mainly attributable to the absence of the net gain on a one-off disposal of a discontinued operation of approximately HK$42 million in last year. Nevertheless, the profit for continued operations of the Group increased by 74% to approximately HK$15 million (2017: HK$8 million), which was mainly attributable to (a) the increase in rental income by approximately HK$10 million during the year as compared to last year; and (b) the increase in net exchange gain by approximately HK$7 million resulting from appreciation of Renminbi receivables against Hong Kong dollars. The above factors were partially off-set by a one-off transaction cost of approximately HK$4 million (2017: nil) for the acquisition of properties business during the year and fair value loss on mark-to-market valuation of quoted bonds from the securities investment and trading business of approximately HK$3 million (2017: net gain of HK$2 million).

Review of financial position

Regarding the Group's financial position as at 31 March 2018, total assets increased by 16% to approximately HK$951 million (2017: HK$820 million). As at 31 March 2018, net current assets amounted to approximately HK$192 million (2017: HK$327 million), whereas current ratio deriving from the ratio of current assets to current liabilities decreased to 2.17 times (2017: 3.32 times). The change in financial position was mainly attributable to business expansion and acquisitions which happened in the property investment and property development operating segments during the year, which certain properties were acquired for long term investment purpose to provide a stable income stream to the Group while maintaining the liquidity position of the Group at an industry-wide healthy level.

As at 31 March 2018, the Group's cash and cash equivalents amounted to approximately HK$128 million (2017: HK$280 million). The net cash inflow from operating activities was approximately HK$44 million (2017: HK$6 million), while the net cash outflow from investing activities was approximately HK$145 million (2017: inflow of HK$182 million). Together with the net cash outflow from financing activities of approximately HK$51 million (2017: inflow of HK$49 million), the Group recorded a net decrease in cash and cash equivalents of approximately HK$152 million (2017: increase of HK$237 million) during the year.

Shareholders' funds attributable to equity holders of the Company decreased slightly by 1% to approximately HK$638 million (2017: HK$642 million), representing HK$0.19 (2017: HK$0.19) per share as at 31 March 2018. The change in equity was resulted from (a) the net profit for the year of approximately HK$15 million; (b) the Renminbi exchange gain arising from translation of foreign operations of approximately HK$14 million; and (c) the special dividend distributed to shareholders of the Company of approximately HK$33 million during the year.

Review of operations and business development

Printing business

The printing business includes the manufacture and sale of printed products, including art books, packaging boxes and children's books, with production facilities located in Huizhou City, Guangdong Province, the PRC. It recorded an operating profit of approximately HK$2 million (2017: HK$2 million) for the year.

During the year, it continued the business strategy to capture higher market share by exploring opportunities arising from various printing segments. New manufacturing facilities and innovative design prototypes were in place to widen the product variety and to strengthen existing partnerships with major customers. Consequently, revenue of the printing business increased by 10% to HK$204 million (2017: HK$186 million) with promising sales growth in the Greater China region. Despite the revenue growth, net margin of the printing business kept steady as the new product variety and expansion in customer base brought additional integration costs to the business.

Tackling the inflationary pressure on the printing material and labour costs, the printing business is enhancing its efficiency by further integrating its production, purchasing and financial functions. New production lines and equipment are scheduled to operate so as to capture a higher market share and to assure a satisfactory production quality.

Property investment business

The property investment business includes the investment and leasing of real estate properties, which recorded an operating profit of approximately HK$12 million (2017: HK$5 million) for the year. The remarkable increase of its operating profit was resulted from the increase in properties rental income by approximately HK$10 million to approximately HK$11 million (2017: HK$1 million) as derived from the investment properties acquired during the year and at the end of last year. A one-off transaction cost of approximately HK$4 million (2017: nil) was incurred for properties business acquired during the year. During the year, the investment properties recorded a fair value revaluation gain mainly arising from investment properties located in Mainland China amounted to approximately HK$5 million (2017: HK$4 million from investment properties in Hong Kong).

As at 31 March 2018, the Group held the following investment properties carried at fair market value of approximately HK$516 million (2017: HK$196 million):

Location	Gross Floor Area	Usage
Investment properties in Hong Kong		
Shop B, Ground Floor, Wuhu Residence, No. 111 Wuhu Street, Hunghom, Kowloon *	1,014 sq ft	Commercial
Shop D, Ground Floor, Wuhu Residence, No. 111 Wuhu Street, Hunghom, Kowloon	1,293 sq ft	Commercial
Shops 3, 4, 5, Parkes Residence, No. 101 Parkes Street, Kowloon *	2,090 sq ft	Commercial
Investment properties in Mainland China		
Level 6, Chengdu Digital Plaza, No. 1 Renmin South Road Fourth Portion, Wuhou District, Chengdu City, Sichuan Province, the PRC **	4,255 sq m	Commercial
Units 01, 02, 03, 06 and 07, 38th Floor, R&F Yingkai Square, No. 16 Huaxia Road, Tianhe District, Guangzhou City, Guangdong Province, the PRC **	895 sq m	Office

* *Acquired by the Group during the year ended 31 March 2018.*

** *Acquired by the Group at the end of last year.*

The portfolio of investment properties was acquired for long term investment purpose so as to provide a stable income stream to the Group. The Group is monitoring the capital gain and rental yield of the portfolio and is positioned to seek further investment opportunities in the business.

Property development business

The property development business includes the development, sale and trading of real estate properties, which the Group held 18 units of residential villas at the estate "Beverly Hills" situated in Changsha City, Hunan Province, the PRC, with total gross floor area of approximately 5,600 square meters and carrying value of approximately HK$57 million (2017: nil) as at 31 March 2018. The properties are intended for sale and were acquired in March 2018 through the settlement of the deferred consideration receivable by Chuang's China Investments Limited for the disposal of the cemetery operation in last year. The properties had not yet contributed to the operating profit of the Group for the year (2017: nil).

The Group is exploring business opportunities arising from the thriving property market of various regions with a view to expanding our property development and sale activities in the near future.

Securities investment and trading business

The security investment and trading business includes the investment and trading of listed debt and equity instruments, which recorded an operating profit of approximately HK$5 million (2017: HK$10 million) for the year.

As at 31 March 2018, the Group held high-yield quoted corporate bonds carried at mark-to-market valuation of approximately HK$68 million (2017: HK$112 million), equivalent to approximately 7% (2017: 14%) of the Group's total assets. Portfolio of the corporate bonds held by the Group as at 31 March 2018 comprised the senior note issued by Shimao Property Holdings Limited in face value of US$8 million, while the senior note brought forward from last year issued by Country Garden Holdings Company Limited in face value of US$5 million had been early redeemed by the issuer during the year.

During the year, the portfolio of high-yield corporate bonds generated interest income of approximately HK$8 million (2017: HK$8 million) and incurred a fair value loss on mark-to-market valuation of approximately HK$3 million (2017: net gain of HK$2 million). Facing the rapidly changing investment environment with high volatility, the Group is monitoring closely on the portfolio's underlying price risk and credit risk and remains cautious in selecting investment opportunities, which strives to achieve an optimal risk-return balance derived from its overall return.

LIQUIDITY AND CAPITAL RESOURCES

As at 31 March 2018, the Group's total assets amounted to approximately HK$951 million (2017: HK$820 million), which were financed by shareholders' funds and various credit facilities. Banking facilities are maintained to finance the Group's working capital and committed capital expenditures, which bear interest at market rate with contractual terms of repayment ranging from within one year to 18 years. The Group adopts a treasury policy to maximize the return on equity, which manages the funding requirements for new capital projects by considering all available options including a hybrid of debt and equity financing.

The Group mainly generated income and incurred costs in Hong Kong dollar, United States dollar and Renminbi. During the year, neither any financial instruments had been used for hedging purpose, nor foreign currency net investments had been hedged by currency borrowings or other hedging instruments. The Group manages the exposures of fluctuation on exchange rate and interest rate on individual transaction basis.

As at 31 March 2018, the Group's bank borrowings amounted to approximately HK$115 million (2017: HK$60 million) with approximately HK$26 million (2017: HK$36 million) repayable within one year and approximately HK$89 million (2017: HK$24 million) repayable after one year. The bank borrowings were denominated in Hong Kong dollar and bore interest at floating rate. The Group's gearing ratio was 0.18 (2017: 0.09), which was calculated based on the ratio of total bank borrowings of approximately HK$115 million (2017: HK$60 million) to the shareholders' funds of approximately HK$638 million (2017: HK$642 million).

As at 31 March 2018, the Group's cash and bank balances amounted to approximately HK$128 million (2017: HK$280 million), of which approximately HK$97 million (2017: HK$271 million) was denominated in Hong Kong dollar and United States dollar, approximately HK$30 million (2017: HK$8 million) was denominated in Renminbi and approximately HK$1 million (2017: HK$1 million) was denominated in other currencies. As at 31 March 2018, the Group had a net cash position (being cash and bank balances net of bank borrowings) of approximately HK$13 million (2017: HK$220 million).

OUTLOOK

Anchored by decades of concrete experience in the printing and packaging industry, the Group has successfully refined its strategic development by engaging in the property investment and property development businesses with an aim to capture opportunities emerging from the real estate market. Continuing economic growth in all major global markets with growing concern over inflation and rising interest rate has boosted the market demand but poses an alert on pricing of assets. The Group is looking into dynamic investment opportunities in the market and continues to keep a close monitoring on the existing investment properties and quoted bonds portfolios.

MANDATORY UNCONDITIONAL CASH OFFER

On 15 December 2017, Qingda Developments Limited ("Qingda") entered into a sale and purchase agreement with Gold Throne Finance Limited (the "Vendor"), pursuant to which the Vendor agreed to sell and Qingda agreed to purchase 2,013,573,887 shares of the Company (the "Shares"), representing approximately 60.82% of the entire issued share capital of the Company for a total cash consideration of HK$789,320,963.7. Completion of the above sale and purchase agreement took place on 19 December 2017.

Immediately following the completion of the above sale and purchase agreement, Qingda and/or the parties acting in concert with it were interested in a total of 2,013,573,887 Shares, representing approximately 60.82% of the entire issued share capital of the Company.

In accordance with Rule 26.1 of The Codes on Takeovers and Mergers and Share Buy-backs (the "Takeovers Code") published by the Securities and Futures Commission, Qingda made a mandatory unconditional cash offer (the "Share Offer") to acquire all the issued Shares (other than those Shares already owned or agreed to be acquired by Qingda and/or parties acting in concert with it) in accordance with the terms as set out in the composite offer document and the response document (the "Composite Document") jointly despatched by the Company and Qingda on 5 January 2018 in accordance with the Takeovers Code.

As of the close of the Share Offer on 26 January 2018, Qingda received valid acceptances in respect of the Share Offer for a total of 11,729,586 Shares, representing approximately 0.35% of the entire issued share capital of the Company as at the said date.

Further information regarding the Share Offer was published in the announcements of the Company dated 15 December 2017, 19 December 2017, 5 January 2018, 10 January 2018, 26 January 2018 and the Composite Document.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND AFFILIATED COMPANIES

Save as disclosed in notes 4, 13 and 18 to the consolidated financial statements, the Group did not have other material acquisition and disposal of subsidiaries, associates and joint ventures for the year ended 31 March 2018.

CONTINGENT LIABILITY

As at 31 March 2018, the Group had no contingent liability (2017: nil).

PLEDGE OF ASSETS

As at 31 March 2018, the Group pledged certain assets including prepaid lease payments, property, plant and equipment, investment properties and accounts receivable with an aggregate carrying value of approximately HK$319 million (2017: HK$67 million) to secure bank borrowings of the Group.

COMMITMENTS

As at 31 March 2018, the Group had capital expenditure contracted for but not provided for in the consolidated financial statements in respect of acquisition of property, plant and equipment of approximately HK$8 million (2017: HK$2 million).

CORPORATE GOVERNANCE

The Board is of the view that the Company has complied throughout the year ended 31 March 2018 with the code provisions set out in the Corporate Governance Code as contained in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), except for code provision A.2.7.

Code provision A.2.7 stipulates that the chairman of the board (the "Chairman") should at least annually hold meetings with the non-executive directors (including independent non-executive directors) without the executive directors present. During the year ended 31 March 2018, no such meeting was held due to the tight schedule of the Chairman and independent non-executive directors. The Board continues to maintain a culture of openness and constructive relations between executive and non-executive directors (including independent non-executive directors) and will continue to facilitate the effective contribution of non-executive directors, and ensure their views are communicated and heard by the Board.

AUDIT COMMITTEE

An audit committee has been established by the Company to review and supervise the Company's financial reporting process, risk management and internal controls and review the relationship with the auditor. The audit committee has held meetings in accordance with the relevant requirements and has reviewed with the directors of the Company and the auditor the accounting principles and practices adopted by the Group, the internal control and financial reporting process and the Company's audited consolidated results for the year ended 31 March 2018. The current members of the audit committee are the three independent non-executive directors, namely Mr. Ho Man (chairman of the committee), Mr. Lam Chi Hung Louis, and Mr. Hung Kin Man.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" (the "Model Code") as contained in Appendix 10 of the Listing Rules as its own code of conduct regarding directors' dealing in the Company's securities. Having made specific enquiries of all directors of the Company, all directors confirmed to the Company that they have complied with the required standard set out in the Model Code throughout the year ended 31 March 2018.

COMPETING INTERESTS

As at 31 March 2018, the directors of the Company were not aware of any business or interest of each director, and their respective close associates that competes or may compete with the business of the Group and any other conflicts of interest which any such persons have or may have with the Group.

REVIEW OF PRELIMINARY ANNOUNCEMENT

The figures in this preliminary announcement of the Group's results for the year ended 31 March 2018 have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this preliminary announcement.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within knowledge of the Company's directors, as at the date of this announcement, the Company has maintained sufficient public float as required by the Listing Rules throughout the year ended 31 March 2018.

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

During the year ended 31 March 2018, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

NUMBER OF EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2018, the Group, including its subcontracting processing plants, employed 604 (2017: 743) staff and workers. The Group provides its employees with benefits including performance-based bonus, retirement benefits contribution, medical insurance and staff training. Also, the Company adopts a share option scheme to provide alternative means to align the employees' career goal with the Group's business strategy.

ANNUAL GENERAL MEETING

It is proposed that the forthcoming Annual General Meeting of the Company (the "AGM") be held on Friday, 24 August 2018. Notice of the AGM will be published and issued to shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the shareholders' rights to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 21 August 2018 to Friday, 24 August 2018 (both days inclusive), during which period no transfer of Shares of will be effected. In order to be entitled to attend and vote at the AGM, unregistered holders of Shares of should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Monday, 20 August 2018.

PUBLICATION OF ANNUAL RESULTS ON THE STOCK EXCHANGE'S AND THE COMPANY'S WEBSITES

This results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.midasprinting.com). The annual report of the Company for the year ended 31 March 2018 containing all applicable information required by the Listing Rules will be dispatched to shareholders and published on the above websites in due course.

APPRECIATION

We would like to take this opportunity to express our gratitude to our shareholders, customers and partners for their continuous support and confidence in the Group, as well as our appreciation to our executives and staff for their dedication and contribution during the past year.

By order of the Board of
Midas International Holdings Limited
Li Qing
Director

Hong Kong, 21 June 2018

As at the date of this announcement, Mr. Li Qing, Ms. Au Hoi Lee Janet and Ms. Zhang Feiyang are the executive directors; and Mr. Lam Chi Hung Louis, Mr. Hung Kin Man and Mr. Ho Man are the independent non-executive directors of the Company.