



# Midas Holdings Limited

## 麥達斯控股有限公司

(Singapore Registration No.: 200009758W)  
(Incorporated in Singapore with limited liability)  
(Hong Kong Stock Code: 1021)  
(Singapore Stock Code: 5EN)

---

### PROPOSED ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF HUICHENG CAPITAL LIMITED

---

#### 1. INTRODUCTION

The Board of Directors (the "**Board**") of Midas Holdings Limited (the "**Company**") wishes to announce that the Company had, on 30 November 2015, entered into a conditional sale and purchase agreement (the "**S&P Agreement**") with Chen Wei Ping, Chen Chen, Tang Tianrui, Yang Tianying, Yang Xiaoguang, Tan Poh Kuan Linda and He Qingzhi (collectively, the "**Vendors**", and each, a "**Vendor**") to acquire the entire issued share capital of Huicheng Capital Limited (the "**Target**") from the Vendors for an aggregate consideration of up to S\$264 million (the "**Consideration**") (the "**Proposed Acquisition**").

The completion of the Proposed Acquisition ("**Completion**") will be subject to, inter alia, the satisfaction of all applicable conditions precedent, details of which can be found in section 2.1 of this announcement.

Brief information on the Target and its subsidiaries (including Dalian Huicheng Aluminium Co., Ltd. and Dalian Huicheng Aluminium Co., Ltd Luoyang Hot Rolling Mill (Branch)) (the "**Huicheng Group**") is set out in section 3 of this announcement.

#### 2. PROPOSED ACQUISITION

Pursuant to the S&P Agreement, each of the Vendors agree to sell, as legal and beneficial owner, the number of shares in the Target (the "**Target Shares**") and each right attaching to such Target Shares set out against the name of such Vendor below, free from any encumbrance, and the Company agrees to buy such Target Shares and each right attaching to such Target Shares as at the date of Completion. Upon Completion, the Target will become a wholly-owned subsidiary of the Company.

The number of Target Shares held by each Vendor is as follows:

Name of Vendor	Number of Target Shares held	Number of Target Shares held as a percentage of the entire issued share capital of the Target
Chen Wei Ping	74	37%
Chen Chen	22	11%
Tang Tianrui	22	11%
Yang Tianying	22	11%

<b>Name of Vendor</b>	<b>Number of Shares held</b>	<b>Target</b>	<b>Number of Target Shares held as a percentage of the entire issued share capital of the Target</b>
Yang Xiaoguang	20		10%
Tan Poh Kuan Linda	20		10%
He Qingzhi	20		10%
<b>Total</b>	<b>200</b>		<b>100%</b>

The consideration for the Proposed Acquisition (the "**Consideration**") comprises the following:

- (a) the payment of an aggregate S\$166.32 million to the Vendors, save for Chen Wei Ping, which shall be wholly satisfied by the issuance of 461,999,997 ordinary shares each in the capital of the Company (the "**Shares**") to be allotted and issued at a price of S\$0.36 per Share (the "**Issue Price**") (the "**Initial Consideration Shares**"); and
- (b) the payment of up to S\$97.68 million to Chen Wei Ping (the "**Earn-Out Consideration**"), which shall be wholly satisfied by the issuance of up to 271,333,333 Shares to be allotted and issued at the Issue Price (the "**Earn-out Consideration Shares**").

The Issue Price of S\$0.36 per Initial Consideration Share and Earn-out Consideration Share (the "**Consideration Shares**"), is a premium of 17.80% to the weighted average price of the Shares on 27 November 2015, being the market day preceding the date of this announcement.

As Chen Wei Ping, being one of the Vendors, is a director and Controlling Shareholder of the Company, the Proposed Acquisition will constitute an "Interested Person Transaction" within Chapter 9 of the of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").

## **2.1. Conditions Precedent to Completion**

Completion shall be conditional upon, *inter alia*, the following:

- (a) the Huicheng Group receiving, in full, the payment of the consideration of RMB229.50 million from Lesen Capital Limited in relation to the sale of the equity interest of Chongqing Huicheng Aluminium Co., Ltd by Dalian Huicheng Aluminium Co., Ltd. ("**Dalian Huicheng**") to Lesen Capital Limited;
- (b) the shareholder of the Company (the "**Shareholders**") approving the resolution relating to sale by the Vendors and purchase by the Company of the entire issued share capital of the Target;
- (c) approval in-principle being granted by the SGX-ST for the listing of and quotation for the Consideration Shares on the SGX-ST having been obtained, and such approval not having been revoked or amended, and if the approval is granted subject to conditions required to be fulfilled on or prior to Completion, the fulfilment of such condition;
- (d) the Hong Kong Stock Exchange having granted approval for the listing of, and a permission to deal in, the Consideration Shares to be issued and such approval remaining valid and effective;
- (e) the conduct of a due diligence investigation covering, among other things, the business, affairs, operations, assets, liabilities, financial condition and records of the Huicheng Group having been completed and the results of such due diligence investigation being satisfactory to the Company at its sole and absolute discretion;

- (f) the warranties as stated in the S&P Agreement remaining true and accurate in all respects and not misleading in any respect as at Completion;
- (g) all consents, approvals, permits, authorizations or clearances (as the case may be) that the Company at its discretion considers necessary pursuant to applicable laws, regulations or rules for its execution, implementation and Completion of the S&P Agreement having been obtained, and all such consents, approvals, permits, authorisations and clearances not having been revoked or withdrawn at any time before Completion; and
- (h) all consents, approvals, permits, authorizations or clearances (as the case may be) that the Vendors reasonably consider necessary pursuant to applicable laws, regulations or rules for its execution, implementation and completion of the S&P Agreement having been obtained, and all such consents, approvals, permits, authorisations and clearances not having been revoked or withdrawn at any time before Completion.

## 2.2. Consideration and Payment

The Consideration of up to S\$264 million comprises the following:

- (a) S\$166.32 million, being the Initial Consideration for the entire issued and paid-up share capital of the Target, which shall be paid upon the Completion; and
- (b) up to S\$97.68 million, being the Earn-Out Consideration which may be payable upon the terms of an earn-out formula being satisfied as described in the S&P Agreement and further described below.

The Consideration (being the Initial Consideration and the Earn-out Consideration, if payable), will be satisfied by the allotment and issue to the Vendors of up to 733,333,330 Consideration Shares at the Issue Price of S\$0.36 per Consideration Share. The Consideration Shares, when allotted and issued, shall rank *pari passu* in all respects with the existing Shares.

The Issue Price of S\$0.36 per Consideration Share represents:

- (a) a premium of approximately 18.03% to the closing price of S\$0.305 per Share as quoted on the SGX-ST on the market day preceding this announcement;
- (b) a premium of approximately 21.48% to the closing price of HK\$1.63 per Share as quoted on the Stock Exchange of Hong Kong Limited (the "SEHK") on the market day preceding this announcement;
- (c) a premium of approximately 17.87% to the average closing price of HK\$1.68 per Share as quoted on the SEHK for the five (5) consecutive trading days immediately prior to the date of the S&P Agreement;
- (d) a premium of approximately 17.87% to the average closing price of HK\$1.68 per Share as quoted on the SEHK for the thirty (30) consecutive trading days immediately prior to the date of the S&P Agreement; and
- (e) a discount of approximately 34.55% to the unaudited net asset value of the Company attributable to the Shareholders as at 30 September 2015.

The Consideration for the Proposed Acquisition was arrived at a willing-buyer willing-seller basis, after taking into account, *inter alia*, the current and prospective earnings, operations and financial conditions of the Huicheng Group, as well as the rationale for the Proposed Acquisition and the independent valuation of the Huicheng Group provided by Roma Appraisals Limited, the Independent Valuer.

The Initial Consideration of S\$166.32 million represents a price-to-earnings ratio of approximately 53.40 times using the consolidated net profit attributable to equity holders of

the Huicheng Group for the financial year ended 31 December 2014. The Consideration of S\$264 million represents a price-to-earnings ratio of approximately 84.77 times using the consolidated net profit attributable to equity holders of the Huicheng Group for the financial year ended 31 December 2014.

### 2.3. Earn-Out

The Earn-Out Consideration shall be payable to Chen Wei Ping upon the following target being achieved: consolidated profit after tax after adjustments for non-operating items including, but not restricted, to (i) grants from government or any other parties; (ii) dividend income; or (iii) any other income that is not part of income from operations (the "**Adjusted Profit after Tax**") of Dalian Huicheng for the financial year ending 31 December 2016 ("**FY2016**") of at least RMB80 million based on the final consolidated audited profit and loss account of Dalian Huicheng (the "**Earn-Out Target**").

The Earn-Out Consideration shall be payable in the manner set out below:

- (i) where the Earn-Out Target is met, S\$97.68 million (the "**Earn-Out Consideration**") shall be paid to Chen Wei Ping;
- (ii) where the Earn-Out Target is not met, Chen Wei Ping shall be entitled to a portion of the Earn-Out Consideration calculated as follows:

$$\frac{A}{\text{RMB80 million}} \times \text{Earn-Out Consideration}$$

Where:

$$A = \text{The consolidated Adjusted Profit after Tax of Dalian Huicheng for the financial year ending 31 December 2016 ("**FY2016**")}$$

The Earn-Out Consideration (or portion of the Earn-Out Consideration in the event that the Earn-Out Target is not met) shall be wholly satisfied by the issuance of Consideration Shares.

The Earn-Out Target and Earn-Out Consideration were arrived at after arm's length negotiations between the parties and the pro-rata scenarios were put in place to avoid purely binary outcomes.

The payment of the Earn-Out Consideration is structured to motivate Chen Wei Ping (one of the Vendors) to achieve the target consolidated operating profit after tax of the Group with a view to ensure continued performance of the Huicheng Group after Completion.

### 2.4. Chen Wei Ping's Indemnity

Chen Wei Ping has undertaken, pursuant to the S&P Agreement, to pay to the Company on demand an amount equal to each loss, liability and cost incurred by the Company and the Huicheng Group, which arises (directly or indirectly) in connection with any of the warranties contained in the S&P Agreement failing to remain true and accurate in all respects and not misleading in any respect as at Completion (including, without limitation, each loss, liability and cost reasonably incurred as a result of defending or settling a claim alleging such a liability).

### 2.5. Specific mandate

The Consideration Shares will be issued under specific mandate to be sought from the Shareholders at an extraordinary general meeting ("**EGM**").

## 2.6. Valuation of the Huicheng Group

The Company has commissioned Roma Appraisals Limited (the "**Independent Valuer**"), to undertake an independent valuation on a 100% equity interest in the Huicheng Group. Based on the valuation report on a 100% equity interest in the Huicheng Group issued by the Independent Valuer dated 27 November 2015 on the Huicheng Group prepared by the Independent Valuer (the "**Valuation Report**") as at 31 August 2015 ("**Valuation Date**"), the valuation of the Huicheng Group was RMB 1,269 million.

The Independent Valuer's valuation was based on going concern premise and conducted on a market value basis. According to the International Valuation Standards established by the International Valuation Standards Council in 2011, market value is defined as "the estimated amount for which an asset should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

In the process of valuing the Huicheng Group, the Independent Valuer took into account of the uniqueness of the Huicheng Group's operation and the nature of the aluminum industry in which it participates.

The key assumptions made by the Independent Valuer are as follows:

- (i) the weighted average cost of capital of 14.67% was adopted as the discount rate in arriving at the Huicheng Group as at the Valuation Date;
- (ii) the management accounts of Huicheng Group provided by the Huicheng Group's management as at the Valuation Date was adopted in the valuation;
- (iii) the Huicheng Group will be able to operate and develop as planned by the Huicheng Group's management;
- (iv) the valuation was mainly based on the projections of the future cash flows as provided by the Huicheng Group's management. The projections outlined in the financial information provided are reasonable, reflecting market conditions and economic fundamentals, and has reasonable opportunity to be materialized;
- (v) all relevant legal approvals and business certificates or licenses to operate the business in the localities in which the Huicheng Group operates or intends to operate would be officially obtained and renewable upon expiry;
- (vi) there will be sufficient supply of technical staff in the industry in which the Huicheng Group operates, and the Huicheng Group will retain competent management, key personnel and technical staff to support its ongoing operations and developments;
- (vii) there will be no major change in the current taxation laws in the localities in which the Huicheng Group operates or intends to operate and that the rates of tax payable shall remain unchanged and that all applicable laws and regulations will be complied with;
- (viii) there will be no major change in the political, legal, economic or financial conditions in the localities in which the Huicheng Group operates or intends to operate, which would adversely affect the revenues attributable to and profitability of the Huicheng Group; and
- (ix) interest rates and exchange rates in the localities for the operation of the Huicheng Group will not differ materially from those presently prevailing.

### 3. INFORMATION ON THE HUICHENG GROUP

Huicheng Capital is the sole shareholder of Dalian Huicheng, a company based in Dalian, People's Republic of China, with an employee headcount of more than 250, which specialises in aluminium products.

Dalian Huicheng has a total investment amount of US\$300 million, with a registered capital of US\$100 million. Based on its audited financial statements for the financial year ended 31 December 2014 and its unaudited interim financial statements for the nine months ended 30 September 2015, its revenue and net profit attributable to equity holders are as follows:

<b>Period</b>	<b>Revenue (RMB)</b>	<b>Net profit attributable to equity holders (RMB)</b>
FY2014 .....	112,995,834	14,156,181
Nine months ended 30 September 2015 .....	275,912,680	56,337,630

#### 3.1. Product Introduction

Dalian Huicheng's main products are aluminium alloy stretched plates and hot-rolled aluminium alloy plates and coils.

Dalian Huicheng's products have a broad range of applications, dedicated primarily to the aviation, aerospace, rail transportation, marine, automotive and petrochemical industries. The aluminium products are lightweight, corrosion-resistant, high-strength, easy to process and possess mechanical and physical properties that make it suitable for use in the above-mentioned industries.

In order to produce such highly-precision aluminum products, Dalian Huicheng uses advanced production technology and technical equipment.

#### 3.2. Facilities

Dalian Huicheng's operations are carried out in its two plants – the Dalian Stretching Plant and the Luoyang hot-rolling mill.

(i) *Dalian Stretching Plant*

Dalian Huicheng owns land including rights to two plots of land (amounting to a land area of approximately 332,730 square metres) in the Dengshahe Lingang Industrial Zone, Jinzhou District, Dalian, where its aluminium stretching plant is situated.

The Dalian Stretching Plant produces aluminium alloy stretched plates. The raw materials for the production of such aluminium alloy stretched plates are hot-rolled aluminium alloy plates. The annual production capacity of this stretched plates plant is 40,000 tonnes.

(ii) *Luoyang hot-rolling mill*

Dalian Huicheng has, through its branch in Luoyang (Dalian Huicheng Aluminium Co., Ltd Luoyang Hot Rolling Factory (China)), leased the Luoyang hot-rolling mill from Aluminum Corporation of China Henan Aluminum Co, Ltd (中铝河南铝业有限公司). The Luoyang hot-rolling mill is located at the aluminum industrial park at Yichuan County, Luoyang City of Henan Province.

The term of the lease is for a period of three years from 19 January 2015 to 18 January 2018. The monthly rent for the lease is RMB 1.3 million.

The annual production capacity of the Luoyang hot-rolling mill is 200,000 tonnes.

The Luoyang hot-rolling mill produces hot-rolled aluminium alloy plates and hot-rolled aluminium alloy coils with a portion sold to third parties. Most of its hot-rolled aluminium alloy plates are fed to Dalian Stretching Plant as raw materials.

### **3.3. Intellectual Property and Certifications**

Dalian Huicheng places emphasis on research and development, and has developed technology relating to the production and processing of aluminium and alloy plates. In protecting such technology, Dalian Huicheng has registered 28 patent certificates and 3 trademark certificates.

Dalian Huicheng also focuses on awareness of quality, environment and safety and aims to achieve sustainable development. As evidence of the company's efforts in this, Dalian Huicheng has obtained the following certifications:

- ISO 9001 Quality Management Certificate;
- ISO 14001 Environment Management System Certificate;
- OHSAS 18001 Occupational Health and Safety Management System Certificate;
- IRIS (International Railway Industry Standard) Certification, which is a globally recognised standard unique to the railway sector for the evaluation of management systems;
- AS9100C Quality Management Systems Certificate issued by the Americas Aerospace Quality Standards Committee, which is a quality management standard for the aviation, space and defence industries;
- GJB9001B-2009 Quality Assurance Certificate of Conformity to GJB Quality Management System Certification;
- certification under the quality assurance system for material manufacturers according to the Pressure Equipment Directive 97/23/EC which certifies that the manufacturer has implemented and applied a quality assurance system which has been assessed based on the Pressure Equipment Directive 97/23/EC; and
- the NADCAP certificate issued by the Nadcap Management Council in accordance with SAE Aerospace Standard AS7003, which demonstrates conformance and recognition of accreditation for heat treating.

## **4. RATIONALE FOR THE PROPOSED ACQUISITION**

The Directors believe that the Proposed Acquisition offers an opportunity for the Group to acquire a profitable business and further expand its core business, which will enable the Group to strengthen its position in its current market. When completed, the Proposed Acquisition will enable the Group to achieve its corporate objectives in the following areas:

(a) *Diversify its range of products and services*

Following the Completion of the Proposed Acquisition, the Group's range of products and services will be expanded to include aluminium alloy stretched plates and hot-rolled aluminium alloy plates and coils in addition to its current aluminium alloy extrusion and cold-rolled plates and sheets product offerings. This will allow the Group to provide a wider range of products and services to its customers and diversify its offerings.

(b) *Expand its customer base and allow it entry into new industries and sectors*

The Group's customer base currently comprises players in the infrastructure and rail transport sectors, with a focus on PRC and major global train manufacturers, while

Dalian Huicheng's customer base comprises customers in the aviation, aerospace, rail transportation, marine, automotive and petrochemical industries. It is expected that following the Completion of the Proposed Acquisition, the Group will be able to benefit from cross-selling opportunities, with the Group now having access to and being able to tap on Dalian Huicheng's connections in new industries and sectors.

(c) *Vertical integration so as to achieve synergies*

The Completion of the Proposed Acquisition will allow the Group to harness synergies. Our aluminium alloy cold-rolling plant in Liaoyuan City, Jilin Province, People's Republic of China is expected to commence commercial production in 2016. The raw materials used for production in our aluminium alloy cold-rolling plant are hot-rolled aluminium alloy plates and coils, which we currently purchase from third-party suppliers. The completion of the Proposed Acquisition will allow us to achieve synergies as we could potentially source from Dalian Huicheng hot-rolled aluminium alloy plates and coils where we would foreseeably be better positioned to maintain quality controls and standards.

## 5. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

**Shareholders are advised to read this section carefully and to note that the financial effects in this section are proforma in nature and for illustrative purposes only.**

The financial effects of the Proposed Acquisition on the share capital, earnings, net tangible assets ("NTA") and gearing of the Group in respect of FY2014 have been prepared based on the audited consolidated financial statements of the Group for FY2014 and the unaudited financial statements of the Huicheng Group for FY2014.

The following assumptions were made in computing the *pro forma* financial effects:

- (a) the maximum Consideration of up to S\$264 million, comprising the Initial Consideration and the Earn-Out Consideration (assuming that the Earn-Out Target is met in full) is fully satisfied by the allotment and issuance of 733,333,330 Consideration Shares;
- (b) the effect of the Proposed Acquisition on the NTA per Share assumes that the Proposed Acquisition had been effected at the end of FY2014; and
- (c) the effect of the Proposed Acquisition on the Earnings per Share assumes that the Proposed Acquisition had been effected at the beginning of FY2014.

Given that the *proforma* financial effects presented below are *proforma* in nature and only for illustrative purposes, they do not represent the actual financial position and/or results of the Group immediately after the completion of the Proposed Acquisition.

The net profits attributable to the Proposed Acquisition are RMB14.2 million, being the net profits attributable to assets acquired for FY2014.

### 5.1. Share Capital

<b>Effects of the Proposed Acquisition</b>	<i>Before the Proposed Acquisition</i>	<i>After the Proposed Acquisition (Consideration Shares issued in relation to the Initial Consideration and Earn-out Consideration<sup>(2)</sup>)</i>
Number of Shares ('000) .....	1,217,617,800 <sup>(1)</sup>	1,950,951,130

**Notes:**

<sup>(1)</sup> Number of Shares issued as at 31 December 2014 (excluding 1,000,000 treasury shares).



<sup>(2)</sup> Assuming that the Earn-Out Target is met in full, and including the maximum 733,333,330 new Shares that may be issued pursuant to the Consideration.

## 5.2. NTA per Share

<b>Effects of the Proposed Acquisition</b>	<i>Before the Proposed Acquisition</i>	<i>After the Proposed Acquisition (Consideration Shares issued in relation to the Initial Consideration and Earn-out Consideration<sup>(2)</sup>)</i>
NTA (RMB'000) .....	2,997,488	3,650,066
Issued Shares ('000) .....	1,217,618 <sup>(1)</sup>	1,950,951 <sup>(2)</sup>
NTA per Share (RMB) .....	2.46	1.87

**Notes:**

<sup>(1)</sup> Number of Shares issued as at 31 December 2014 (excluding 1,000,000 treasury shares).

<sup>(2)</sup> Assuming that the Earn-Out Target is met in full, and including the maximum 733,333,330 new Shares that may be issued pursuant to the Consideration.

## 5.3. Earnings per Share

<b>Effects of the Proposed Acquisition</b>	<i>Before the Proposed Acquisition</i>	<i>After the Proposed Acquisition (Consideration Shares issued in relation to the Initial Consideration and Earn-out Consideration<sup>(2)</sup>)</i>
Net Profit before tax (RMB'000) .....	55,906	74,705
Distributable Income (RMB'000) .....	56,348	70,504
Issued Shares ('000) .....	1,217,618 <sup>(1)</sup>	1,950,951 <sup>(2)</sup>
Earnings per Share (Fen) .....	4.63	3.61

**Notes:**

<sup>(1)</sup> Number of Shares issued as at 31 December 2014 (excluding 1,000,000 treasury shares).

<sup>(2)</sup> Assuming that the Earn-Out Target is met in full, and including the maximum 733,333,330 new Shares that may be issued pursuant to the Consideration.

## 5.4. Gearing ratios

<b>Effects of the Proposed Acquisition</b>	<i>Before the Proposed Acquisition</i>	<i>After the Proposed Acquisition (Consideration Shares issued in relation to the Initial Consideration and Earn-out Consideration<sup>(2)</sup>)</i>
Total borrowings (RMB'000) .....	3,735,448	4,120,448
Cash and cash equivalents (S\$'000) .....	1,209,501	1,243,698
Shareholders' funds (S\$'000) .....	2,997,488	3,650,066
Net gearing (times) .....	0.84	0.79
Gross gearing (times) .....	1.25	1.13

## 6. RESULTANT SHAREHOLDINGS OF THE COMPANY

Please refer to the Annex of this announcement for the Company's shareholdings before and after the Proposed Acquisition.

## 7. SHAREHOLDERS' APPROVAL

The relative figures for the Proposed Acquisition computed on the bases set out in Rule 1006(a) to (e) of the Listing Manual of the SGX-ST ("**Rule 1006**") are as follows:

- |     |   |                       |
|-----|---|-----------------------|
| (a) | The net asset value of the assets to be disposed of, compared with the Group's net asset value as at 30 September 2015 .....  | <b>Not applicable</b> |
| (b) | The net profits attributable to assets acquired or disposed of, compared with the Group's net profits as at 30 September 2015 ...   | 154.89%               |
| (c) | The aggregate value of the Consideration Shares given as compared with the Company's market capitalisation as at 27 November 2015, being the market day preceding the date of this announcement ..... | 71.09%                |
| (d) | The number of Consideration Shares compared with the number of Shares previously in issue .....   | 60.23%                |
| (e) | The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves .....                                       | <b>Not applicable</b> |

The relative figure under Rule 1006(b) exceeds 100%. However, pursuant to Rule 1015(7) of the Listing Manual, as the proposed Acquisition relates to an acquisition of profitable assets and the only limit breached is Rule 1006(b), Rule 1015 relating to "very substantial acquisitions" does not apply. As the relative figures under Rules 1006(c) and 1006(d) exceed 20.0%, the Proposed Acquisition constitutes a Major Transaction within the meaning of Chapter 10 of the Listing Manual of the SGX-ST. Accordingly, pursuant to Rule 1014, the Proposed Acquisition is conditional on the approval of Shareholders of the Company at an EGM.

In addition, the issue of the Consideration Shares also requires the approval of Shareholders of the Company at an EGM pursuant to Listing Rule 805(1) of the Listing Manual of the SGX-ST.

Further, under Chapter 9 of the Listing Manual of the SGX-ST, where a company proposes to enter into a transaction with an Interested Person and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S\$100,000, with the same Interested Person during the same financial year) is equal to or exceeds 5.0% of the company's latest audited NTA, shareholders' approval is required in respect of the transaction. Based on the Company's audited financial statements for the financial year ended 31 December 2014, the NTA of the Company was RMB2,997,488,000 as at 31 December 2014. Accordingly, if the value of a transaction which is proposed to be entered into in the current financial year by the Company with an Interested Person is, either in itself or in aggregation with all other earlier transactions (each of a value equal to or greater than S\$100,000) entered into with the same Interested Person during the current financial year, equal to or in excess of 5.0%, such a transaction would be subject to Shareholders' approval. Given the valuation of the Huicheng Group at RMB 1,269 million (which is 42.3% of the NTA of the Company as at 31 December 2014) and the Consideration of up to S\$264 million (which is 40.0% of the NTA of the Company as at 31 December 2014), the value of the Proposed Acquisition exceeds the said threshold under rule 906(1)(a) of the Listing Manual of the SGX-ST.

As at the date of this announcement, Chen Wei Ping held an aggregate interest of 10.79% in the Company and is a Director and Controlling Shareholder. As such, for the purposes of Chapter 9 of the Listing Manual of the SGX-ST, Chen Wei Ping is an Interested Person and the Proposed Acquisition constitutes an Interested Person Transaction.

The Company will seek approval of the Shareholders at an EGM to be convened at a later date. A circular containing, *inter alia*, the notice of EGM and the details of the Proposed

Acquisition and the advice of an independent financial adviser will be despatched to the Shareholders in due course.

#### **8. OTHER INTERESTED PERSON TRANSACTIONS**

There are no other interested person transactions entered into by the Company or any entity at risk (as defined in the Listing Manual of the SGX-ST) with Chen Wei Ping from 1 January 2015 to the date of this announcement.

There are no other interested person transactions entered into by the Company or any entity at risk (as defined in the Listing Manual of the SGX-ST) from 1 January 2015 to the date of this announcement.

#### **9. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

As at the date of this announcement, Chen Wei Ping is a Director and Controlling Shareholder of the Company with an aggregate interest of 10.79% in the issued share capital of the Company. Accordingly, the Proposed Acquisition constitutes an "Interested Person Transaction" pursuant to Chapter 9 of the Listing Manual of the SGX-ST.

Save as disclosed above and based on information available to the Company as at the date of this announcement, none of the Directors or the Controlling Shareholders has an interest, direct or indirect, in the Proposed Acquisition.

#### **10. STATEMENT FROM AUDIT COMMITTEE**

The Company's audit committee will obtain an opinion from an independent financial adviser before forming its view as to whether the Proposed Acquisition is on normal commercial terms, and is not prejudicial to the interest of the Company and its minority shareholders. Such a view will be made known in the circular in respect of the Proposed Acquisition to be despatched to the Shareholders in due course.

#### **11. INDEPENDENT FINANCIAL ADVISER**

The Company will appoint an independent financial adviser to the independent directors of the Company in connection with the Proposed Acquisition.

#### **12. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the S&P Agreement and the Valuation Report are available for inspection during normal business hours at the registered office of the Company at 4 Shenton Way, #18-03 SGX Centre 2, Singapore 068807 for a period of three months from the date of this announcement.

#### **13. CIRCULAR**

A circular containing, *inter alia*, the notice of EGM and the details of the Proposed Acquisition and the advice of an independent financial adviser will be despatched to the Shareholders in due course.

#### **BY ORDER OF THE BOARD**

Midas Holdings Limited

Chew Hwa Kwang, Patrick  
Executive Director and  
Chief Executive Officer

30 November 2015

## ANNEX

Based on the shareholdings of the Company as at the date of this announcement, taking into consideration the Consideration Shares issued in relation to the Initial Consideration, and taking into consideration the Consideration Shares issued in relation to the Earn-Out Consideration (assuming that the Earn-Out Target is met in full), the Company's shareholdings before and after the Proposed Acquisition are tabulated below:

	As at the date of this announcement before the Proposed Acquisition				After the Proposed Acquisition (Consideration Shares issued in relation to the Initial Consideration)				Immediately after Proposed Acquisition (Consideration Shares issued in relation to the Initial Consideration and Earn-out Consideration <sup>(1)</sup> )			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	Number of Shares	% <sup>(2)</sup>	Number of Shares	% <sup>(2)</sup>	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
<b>Name of Directors</b>												
Mr Chen Wei Ping ....	131,405,200	10.79	-	-	131,405,200	7.82	-	-	402,738,533	20.64	-	-
Mr Chew Hwa Kwang, Patrick.....	121,711,800	10.00	-	-	121,711,800	7.25	-	-	121,711,800	6.24	-	-
Mr Tong Din Eu .....	749,000	0.06	-	-	749,000	0.04	-	-	749,000	0.04	-	-
<b>Name of Substantial Shareholders</b>												
Mr Chen Wei Ping ....	131,405,200	10.79	-	-	131,405,200	7.82	-	-	402,738,533	20.64	-	-
Mr Chew Hwa Kwang, Patrick.....	121,711,800	10.00	-	-	121,711,800	7.25	-	-	121,711,800	6.24	-	-

**Notes:**

- (1) Assuming that Earn-Out Target is met in full.
- (2) The percentage is based on 1,217,617,800 issued Shares (excluding treasury shares) of the Company as at the date of this announcement.