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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)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

The board of directors (the "Board") of Midas Holdings Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2014 together with the comparative figures for the previous year as follows:

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2014

	Note	2014 RMB'000	2013 RMB'000
Revenue	3	1,317,863	1,147,568
Cost of sales		(967,617)	(866,332)
Gross profit		350,246	281,236
Other operating income		14,081	12,587
Selling and distribution expenses		(60,669)	(54,501)
Administrative expenses		(148,295)	(117,147)
Finance costs		(128,481)	(76,248)
Share of profits of an associate		29,024	13,631
Profit before income tax expense	6	55,906	59,558
Income tax expense	7	(2,803)	(16,733)
Profit for the year		53,103	42,825
Attributable to :			
Owners of the Company		56,348	47,711
Non-controlling interests		(3,245)	(4,886)
		53,103	42,825
Profit for the year		53,103	42,825
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation		31,900	(12,372)
Total comprehensive income for the year		85,003	30,453
Attributable to:			
Owners of the Company		88,248	35,339
Non-controlling interests		(3,245)	(4,886)
		85,003	30,453
Basic earnings per share (RMB Fen)	9	4.63	3.92
Diluted earnings per share (RMB Fen)	9	4.63	3.92

Consolidated Statement of Financial Position

As at 31 December 2014

	Group		Company	
	2014	2013	2014	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets				
Property, plant and equipment	3,617,443	3,032,823	1,905	2,454
Interests in subsidiaries	-	-	2,643,241	1,909,143
Interest in an associate	208,364	192,539	139,529	142,198
Land use rights	311,319	318,285	-	-
Available-for-sale financial assets	-	2,000	-	-
Restricted bank deposits	37,822	35,082	-	-
Prepaid rental	92	99	-	-
Deferred tax asset	17,138	-	-	-
	4,192,178	3,580,828	2,784,675	2,053,795
Current assets				
Inventories	563,711	628,933	-	-
Trade and other receivables	1,392,352	999,602	10,694	10,192
Income tax recoverable	-	12,205	-	-
Cash and cash equivalents	1,209,501	1,046,456	10,806	15,960
	3,165,564	2,687,196	21,500	26,152
Current liabilities				
Trade and other payables	615,799	420,084	13,154	2,529
Income tax payable	6,866	-	-	-
Borrowings	1,604,173	1,321,582	-	-
	2,226,838	1,741,666	13,154	2,529
Net current assets	938,726	945,530	8,346	23,623
Total assets less current liabilities	5,130,904	4,526,358	2,793,021	2,077,418
Non-current liabilities				
Deferred tax liability	2,141	2,141	-	-
Borrowings	2,131,275	1,276,028	744,008	-
	2,133,416	1,278,169	744,008	-
Net assets	2,997,488	3,248,189	2,049,013	2,077,418

	Group		Company	
	2014	2013	2014	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Capital and reserves and non-controlling interests				
Share capital	2,166,575	2,166,575	2,166,575	2,166,575
Treasury shares	(2,501)	(2,501)	(2,501)	(2,501)
Foreign currency translation reserve	17,930	(13,970)	(132,602)	(92,527)
People's Republic of China ("PRC") statutory reserve	149,823	142,016	-	-
Share options reserve	-	2,740	-	2,740
Retained earnings	665,661	673,797	17,541	3,131
Equity attributable to owners of the Company	2,997,488	2,968,657	2,049,013	2,077,418
Non-controlling interests	-	279,532	-	-
Total equity	2,997,488	3,248,189	2,049,013	2,077,418

STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 December 2014

	← Attributable to the owners of the Company →								
Group	**Share capital RMB'000**	**Treasury shares RMB'000**	**Foreign currency translation reserve RMB'000**	**PRC statutory reserve RMB'000**	**Share options reserve RMB'000**	**Retained earnings RMB'000**	**Total RMB'000**	**Non-controlling interests RMB'000**	**Total equity RMB'000**
Balance at 1 January 2013	2,166,575	(2,501)	(1,598)	134,467	2,958	663,562	2,963,463	284,418	3,247,881
Profit for the year	-	-	-	-	-	47,711	47,711	(4,886)	42,825
Other comprehensive income:									
Currency translation differences	-	-	(12,372)	-	-	-	(12,372)	-	(12,372)
Total comprehensive income for the financial year	-	-	(12,372)	-	-	47,711	35,339	(4,886)	30,453
Transfer of option reserve to retained earnings	-	-	-	-	(218)	218	-	-	-
Dividends	-	-	-	-	-	(30,145)	(30,145)	-	(30,145)
Transfer to PRC statutory reserve	-	-	-	7,549	-	(7,549)	-	-	-
Balance at 31 December 2013	2,166,575	(2,501)	(13,970)	142,016	2,740	673,797	2,968,657	279,532	3,248,189

Group	Attributable to the owners of the Company								
	Share capital RMB'000	Treasury shares RMB'000	Foreign currency translation reserve RMB'000	PRC statutory reserve RMB'000	Share options reserve RMB'000	Retained earnings RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2014	2,166,575	(2,501)	(13,970)	142,016	2,740	673,797	2,968,657	279,532	3,248,189
Profit for the year	-	-	-	-	-	56,348	56,348	(3,245)	53,103
Other comprehensive income:									
Currency translation differences	-	-	31,900	-	-	-	31,900	-	31,900
Total comprehensive income for the financial year	-	-	31,900	-	-	56,348	88,248	(3,245)	85,003
Acquisition of non-controlling interest in subsidiary without a change in control	-	-	-	-	-	(29,836)	(29,836)	(276,287)	(306,123)
Transfer of option reserve to retained earnings	-	-	-	-	(2,740)	2,740	-	-	-
Dividends	-	-	-	-	-	(29,581)	(29,581)	-	(29,581)
Transfer to PRC statutory reserve	-	-	-	7,807	-	(7,807)	-	-	-
Balance at 31 December 2014	2,166,575	(2,501)	17,930	149,823	-	665,661	2,997,488	-	2,997,488

Company	Share capital RMB'000	Treasury shares RMB'000	Foreign currency translation reserve RMB'000	Share options reserve RMB'000	Retained earnings RMB'000	Total RMB'000
Balance at 1 January 2013	2,166,575	(2,501)	43,908	2,958	1,489	2,212,429
Profit for the year	-	-	-	-	31,569	31,569
Other comprehensive income:						
Currency translation differences	-	-	(136,435)	-	-	(136,435)
Total comprehensive income for the financial year	-	-	(136,435)	-	31,569	(104,866)
Transfer of option reserve to retained earnings	-	-	-	(218)	218	-
Dividends	-	-	-	-	(30,145)	(30,145)
Balance at 31 December 2013	2,166,575	(2,501)	(92,527)	2,740	3,131	2,077,418

Company	Share capital RMB'000	Treasury shares RMB'000	Foreign currency translation reserve RMB'000	Share options reserve RMB'000	Retained earnings RMB'000	Total RMB'000
Balance at 1 January 2014	2,166,575	(2,501)	(92,527)	2,740	3,131	2,077,418
Profit for the year	-	-	-	-	41,251	41,251
Other comprehensive income:						
Currency translation differences	-	-	(40,075)	-	-	(40,075)
Total comprehensive income for the financial year	-	-	(40,075)	-	41,251	1,176
Transfer of option reserve to retained earnings	-	-	-	(2,740)	2,740	-
Dividends	-	-	-	-	(29,581)	(29,581)
Balance at 31 December 2014	2,166,575	(2,501)	(132,602)	-	17,541	2,049,013

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2014

1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act"), the Singapore Financial Reporting Standards ("SFRS") including related interpretation of SFRS ("INT SFRS") issued by the Singapore Accounting Standards Council and the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The preparation of financial statements in conformity with SFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

2. ADOPTION OF NEW OR AMENDED SFRS

In the current financial year, the Group has adopted all the new and revised SFRS and INT SFRS that are relevant to its operations and effective for the current financial year.

The adoption of these new and revised SFRS and INT SFRS does not result in any substantial changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior years.

3. REVENUE

Revenue of the Group is as follow:

	2014 RMB'000	2013 RMB'000
Sales of aluminium extrusion products	1,294,761	1,098,226
Sales of polyethylene pipes	23,102	49,342
Total	1,317,863	1,147,568

4. SEGMENT INFORMATION

For the year ended 31 December 2014	Aluminium Alloy Extruded Products Division RMB'000	Polyethylene Pipe Division RMB'000	Aluminium Alloy Plates and Sheets Division RMB'000	Unallocated RMB'000	Total RMB'000
Revenue	**1,294,761**	**23,102**	-	-	**1,317,863**
RESULTS					
Segment results	188,412	(2,634)	(11,105)	-	174,673
Unallocated corporate expenses	-	-	-	(19,310)	(19,310)
Finance costs	(99,921)	(6)	(18)	(28,536)	(128,481)
Share of profits of an associate	-	-	-	29,024	29,024
Profit / (loss) before income tax expense	88,491	(2,640)	(11,123)	(18,822)	55,906
Income tax expense					(2,803)
Profit for the year					53,103
OTHER INFORMATION					
Additions of property, plant and equipment	416,656	49	328,113	13	744,831
Depreciation of property, plant and equipment	156,962	1,405	956	438	159,761
Amortisation of land use rights and prepaid rental	3,149	85	3,739	-	6,973

As at 31 December 2014

	Aluminium Alloy Extruded Products Division RMB'000	Polyethylene Pipe Division RMB'000	Aluminium Alloy Plates and Sheets Division RMB'000	Unallocated RMB'000	Total RMB'000
Assets					
Segment assets	5,170,784	105,954	1,849,125	23,515	7,149,378
Interest in an associate	-	-	-	208,364	208,364
	5,170,784	105,954	1,849,125	231,879	7,357,742
Liabilities					
Segment liabilities	2,577,350	2,693	1,022,992	757,219	4,360,254

For the year ended 31 December 2013

	Aluminium Alloy Extruded Products Division RMB'000	Polyethylene Pipe Division RMB'000	Aluminium Alloy Plates and Sheets Division RMB'000	Unallocated RMB'000	Total RMB'000
Revenue	**1,098,226**	**49,342**	-	-	**1,147,568**
RESULTS					
Segment results	148,419	4,674	(10,842)	-	142,251
Unallocated corporate expenses	-	-	-	(20,076)	(20,076)
Finance costs	(76,190)	(2)	(17)	(39)	(76,248)
Share of profits of an associate	-	-	-	13,631	13,631
Profit / (loss) before income tax expense	72,229	4,672	(10,859)	(6,484)	59,558
Income tax expense					(16,733)
Profit for the year					42,825

OTHER INFORMATION					
Additions of property, plant and equipment	609,945	119	340,407	2,736	953,207
Depreciation of property, plant and equipment	124,303	3,665	247	447	128,662
Amortisation of land use rights and prepaid rental	3,149	86	3,739	-	6,974

As at 31 December 2013	**Aluminium Alloy Extruded Products Division RMB'000**	**Polyethylene Pipe Division RMB'000**	**Aluminium Alloy Plates and Sheets Division RMB'000**	**Unallocated RMB'000**	**Total RMB'000**
Assets					
Segment assets	4,527,257	110,187	1,409,324	28,717	6,075,485
Interest in an associate	-	-	-	192,539	192,539
	4,527,257	110,187	1,409,324	221,256	6,268,024
Liabilities					
Segment liabilities	2,224,749	4,224	788,209	2,653	3,019,835

For the year ended 31 December 2014 ("FY2014"), Aluminium Alloy Extruded Products Division accounted for about 98.2% of our total Group revenue as compared to about 95.7% for the financial year 2013 ("FY2013"). Polyethylene Pipe Division accounted for about 1.8% and 4.3% of our total Group revenue for FY2014 and FY2013 respectively.

5. GEOGRAPHICAL INFORMATION

The following table provides an analysis of the revenue by geographical market:

	2014 RMB'000	2013 RMB'000
Revenue		
PRC	1,137,630	1,063,264
Others	180,233	84,304
Total	1,317,863	1,147,568

Revenues are attributed to countries on the basis of the customers' location.

6. PROFIT BEFORE INCOME TAX EXPENSE

The Group's profit before tax is arrived at after charging:

	2014 RMB'000	2013 RMB'000
Cost of inventories recognised as expenses	957,139	860,252
Depreciation of property, plant and equipment	159,761	128,662
Amortisation of land use rights and prepaid rental	6,973	6,974
Loss on disposal of property, plant and equipment, net	109	846
Operating lease rentals - properties	1,404	1,416

7. INCOME TAX EXPENSE

	2014 RMB'000	2013 RMB'000
Current – Singapore		
Withholding tax arising from loan interest from a PRC's subsidiary	1,161	-
Withholding tax arising from dividends declared by PRC's subsidiaries and associate	4,709	2,682
(Over)/Under provision for income tax in prior years	(2)	4
Current - PRC		
Provision for income tax for the year	13,777	13,871
Provision for deferred tax asset	(17,138)	-
Under provision for income tax in prior years	296	176
Income tax expense	2,803	16,733

Reconciliation of effective tax rate is as below:

	2014 RMB'000	2013 RMB'000
Profit before income tax expense	55,906	59,558
Income tax calculated at statutory tax rate of 17% (2013:17%)	9,504	10,125
Effect of different tax rates of overseas operations	(2,599)	5,283
Tax effect of share of profits of an associate	(4,955)	(2,317)
Tax effect of revenue not taxable for tax purposes	(190)	-
Tax effect of expenses not deductible for tax purposes	4,067	9,252
Effect of tax concession of a subsidiary	(9,185)	(8,469)
Singapore statutory stepped income exemption	(3)	(3)
Provision for income tax for the year	(3,361)	13,871
Withholding tax arising from loan interest from a subsidiary	1,161	-
Withholding tax arising from dividends declared by PRC's subsidiaries	4,709	2,682
Under provision for income tax in prior years	294	180
Income tax expense	2,803	16,733

The Company is incorporated in Singapore and accordingly, is subject to income tax rate of 17% (2013: 17%).

Pursuant to the income tax rules and regulations of the PRC, PRC subsidiaries are liable to PRC enterprise income tax at a rate of 25% during the year ended 31 December 2014 (2013: 25%) except for the following:

- Jilin Midas Aluminium Industries Co., Ltd ("Jilin Midas") was awarded with the approved High Technology Enterprise status and is entitled to enjoy a concessionary rate of 15% for the financial years 2011 to 2016.

Under the PRC tax law, dividends received by foreign investors from their investment in Chinese enterprises in respect of their profits earned since 1 January 2008 are subject to withholding tax at a rate of 10% unless reduced by treaty. Pursuant to a tax arrangement between the PRC and Singapore, the investment holding companies established in Singapore are subject to a reduced withholding tax rate of 5% on dividends they received from their PRC subsidiaries.

8. DIVIDENDS

	2014 RMB'000	2013 RMB'000
Final dividend of S$0.0025 per ordinary share paid in respect of the financial year ended 2012 under the exempt 1-tier system	-	15,152
2013 interim dividends of S$0.0025 per ordinary share under the exempt 1-tier system	-	14,993
Final dividend of S$0.0025 per ordinary share paid in respect of the financial year ended 2013 under the exempt 1-tier system	14,883	-
2014 interim dividends of S$0.0025 per ordinary share under the exempt 1-tier system	14,698	-
	29,581	30,145

Subsequent to the year ended 31 December 2014, the Board proposed a final tax-exempt dividend[#] of S$0.0025 (2013: S$0.0025) per ordinary share, amounting to S$3,044,000 (2013: S$3,044,000) under the exempt-1-tier system. The proposed final dividends had not been recognised as a liability at the end of reporting period.

[#]With effect from 1 January 2003, Singapore has adopted a one-tier corporate tax system under which tax paid by a resident company on its chargeable income is a final tax. All dividends paid are tax exempt in the hands of its shareholders. There is no withholding tax on dividend payments to all shareholders.

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	2014 RMB'000	2013 RMB'000
Earnings		
Earnings for the purpose of basic and diluted earnings per share, being profit for the year attributable to owners of the Company	56,348	47,711

	2014	2013
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,217,617,800	1,217,617,800
Effect of dilutive potential ordinary shares:		
Effects of dilution – Share options	-	-
Weighted average number of ordinary shares for the purpose of diluted earnings per share	1,217,617,800	1,217,617,800

	2014 RMB Fen	2013 RMB Fen
Basic earnings per share	4.63	3.92
Diluted earnings per share	4.63	3.92

As at 31 December 2014, there were no unexercised share options under the "Midas Employees Share Option Scheme" (the "Scheme"). The Scheme expired on 5 January 2014.

As at 31 December 2013, a batch of 4,750,000 share options did not have dilutive effect on the Group's earnings per share because the average market price per ordinary share of the Company during the year was below the exercise price of the share option granted.

10. TRADE RECEIVABLES

	2014 RMB'000	2013 RMB'000
Trade receivables – third parties	839,064	700,857
– associate	44,789	59,685
	883,853	760,542
Allowance for doubtful trade receivables	(1,832)	(1,832)
Total trade receivables	882,021	758,710

Trade receivables are non-interest bearing and are generally on 90 to 120 days credit terms.

The ageing analysis of the Group's trade receivables at the end of reporting period is as follows:

	2014 RMB'000	2013 RMB'000
Within 90 days	381,062	373,806
Over 90 days and within 120 days	112,808	130,211
Over 120 days and within 6 months	119,475	117,871
Over 6 months and within 1 year	231,814	88,348
Over 1 year and within 2 years	37,720	48,199
Over 2 years	974	2,107
	883,853	760,542

11. TRADE PAYABLES

Trade payables are normally settled on 30 to 90 days terms.

The ageing analysis of the Group's trade payables at the end of reporting period is as follows:

	2014 RMB'000	2013 RMB'000
Within 90 days	75,443	100,382
Over 90 days and within 6 months	11,089	4,760
Over 6 months and within 1 year	53,164	50,524
Over 1 year	23,035	31,300
	162,731	186,966

12. CONTINGENT LIABILITIES

As at 31 December 2014, the Group has no material contingent liabilities (2013: Nil).

13. CAPITAL COMMITMENTS

	2014 RMB'000	2013 RMB'000
Commitments for the acquisition and construction of property, plant and equipment:		
- Contracted but not provided for	527,042	565,093

MANAGEMENT DISCUSSION AND ANALYSIS

(I) BUSINESS REVIEW

Our total revenue increased by approximately RMB170.3 million or 14.8% from RMB1,147.6 million in FY2013 to RMB1,317.9 million in FY2014. Revenue at our Aluminium Alloy Extruded Products Division increased by approximately RMB196.5 million or 17.9% from RMB1,098.2 million in FY2013 to RMB1,294.8 million in FY2014 mainly due to an increase in business volume. Our Aluminium Alloy Extruded Products Division contributed approximately 98.2% of total revenue as compared to approximately 95.7% for FY2013.

The tables below show the revenue segmentation by end usage of our Aluminium Alloy Extruded Products Division for FY2014.

Aluminium Alloy Extruded Products Division		
Transport Industry	Power Industry	Others
80.7%	4.1%	15.2%

Revenue contributions for the "Transport Industry" segment in the Aluminium Alloy Extruded Products Division included the supply of aluminium alloy extrusion profiles for freight wagons.

Revenue contributions for the "Others" segment in the Aluminium Alloy Extruded Products Division included mainly supply of aluminium alloy rods and other specialized profiles for industrial machinery.

	Group		
	Year Ended 31 Dec 2014 RMB'000	Year Ended 31 Dec 2013 RMB'000	Increase/ (Decrease) %
(a) Revenue reported for first half year	633,171	486,423	30.2
(b) Net profit after tax reported for first half year	16,809	8,293	102.7
(c) Revenue reported for second half year	684,692	661,145	3.6
(d) Net profit after tax reported for second half year	36,294	34,532	5.1

The Group's gross profit margin for FY2014 was 26.6% versus 24.5% in FY2013. This was due to higher gross profit margin at our Aluminium Alloy Extruded Products Division of 26.8% in FY2014 as compared to 24.8% in FY2013.

Other operating income comprised mainly interest income and income derived from the disposal of scrap materials at our Aluminium Alloy Extruded Products Division.

Selling and distribution expenses increased by approximately RMB6.2 million in FY2014, driven mainly by higher transportation, packaging expenses and staff costs as compared with FY2013, in line with the growth in business volume at our Aluminium Alloy Extruded Products Division in FY2014.

Administrative expenses increased by about RMB31.1 million in FY2014 mainly due to increase in depreciation and higher start up staff costs at our new plants as compared with FY2013.

Finance costs comprised interest on borrowings, bank charges and financing costs relating to discounted notes receivables. Approximately RMB120.9 million (FY2013: RMB57.8 million) of the interest on borrowings that are used to finance the construction of property, plant and equipment for our new production lines were capitalized.

The Group's share of profit from its associated company, Nanjing SR Puzhen Rail Transport Co. ("NPRT"), is approximately RMB29.0 million in FY2014. This was attributed to an increase in delivery of train cars to its customers during the year.

Income tax expense for FY2014 decreased by about RMB13.9 million mainly due to deferred tax income of RMB17.1 million in Luoyang Midas Aluminium Industries Co., Ltd. ("Luoyang Midas") and Jilin Midas Light Alloy Co., Ltd. ("JMLA"). Jilin Midas was awarded with the approved High Technology Enterprise status and enjoyed a concessionary rate of 15% for the financial years 2011 to 2016.

FY2014 ended with profits of approximately RMB53.1 million which represented 24.0% increase over FY2013.

Property, plant and equipment increased due to additions made to machinery and infrastructure development for:-

1. extrusion moulds and ancillary facilities and construction of new plant for our Aluminium Alloy Extruded Products Division; and
2. construction of new plant for our Aluminium Alloy Plates and Sheets Division.

Inventories decreased by about RMB65.2 million mainly due to lower levels of raw materials held at year end.

Trade and other receivables increased by about RMB392.8 million. This was mainly due to an increase in trade receivables of approximately RMB123.3 million from RMB758.7 million as at 31 December 2013 to RMB882.0 million as at 31 December 2014. Other receivables increased by about RMB269.4 million to RMB510.3 million mainly due to advance payments made to our suppliers for purchase of property, plant and equipment and inventories.

Trade and other payables increased by about RMB195.7 million mainly due to slower payment to our suppliers.

Borrowings increased by RMB1,137.8 million mainly due to the issuance of bonds pursuant to the medium term note programme amounting to approximately RMB744.0 million.

(II) FINANCIAL REVIEW

1. Full Year Statement of Cash Flows

For the year ended 31 December 2014

	2014 RMB'000	2013 RMB'000
Cash flows from operating activities		
Profit before income tax expense	55,906	59,558
Adjustments for:		
Depreciation of property, plant and equipment	159,761	128,662
Amortisation of land use rights and prepaid rental	6,973	6,974
Share of profits of an associate	(29,024)	(13,631)
Loss on disposal of property, plant and equipment, net	109	846

	2014 RMB'000	2013 RMB'000
Interest income	(9,672)	(2,299)
Interest expenses	128,481	69,765
Operating profit before changes in working capital	312,534	249,875
Changes in working capital :		
Inventories	65,222	71,850
Trade and other receivables	(401,086)	(24,981)
Trade and other payables	184,268	52,950
Cash generated from operations	160,938	349,694
Income tax paid	(870)	(6,638)
Interest paid	(99,962)	(69,765)
Interest received	9,672	2,299
Net cash from operating activities	69,778	275,590
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	-	40,297
Purchase of property, plant and equipment	(623,961)	(862,353)
Dividends received	8,336	-
Net (increase)/decrease in restricted bank deposits	(2,740)	2,374
Interest paid and capitalised	(117,059)	(57,848)
Proceeds from redemption of available-for-sale assets upon maturity	2,000	-
Net cash used in investing activities	(733,424)	(877,530)
Cash flows from financing activities		
Dividends paid	(29,581)	(30,145)
Proceeds from medium term note	767,895	-
Proceeds from bank borrowings	1,834,000	2,441,000
Repayment of bank borrowings	(1,440,170)	(1,315,240)
Acquisition of non-controlling interests	(306,000)	-
Payment of medium term note interests	(18,217)	-
Net cash from financing activities	807,927	1,095,615
Net change in cash and cash equivalents	144,281	493,675
Cash and cash equivalents at beginning of the financial year	1,046,456	547,033
Net effect of exchange rate changes in cash and cash equivalents	18,764	5,748
Cash and cash equivalents at end of the financial year	1,209,501	1,046,456

During the year under review, our net cash position increased by about RMB144.3 million and was mainly due to positive cash flow generated from operations of about RMB69.8 million and net increase in borrowings of RMB1,161.7 million. These cash inflows were reduced by payments made for property, plant and equipment of about RMB624.0 million.

2. Net Asset Value

	Group	
As at 31 December	**2014**	**2013**
Net asset value per ordinary share based on issued share capital at financial year end (RMB)	2.46	2.44

3. Loans

	As at 31 December 2014		As at 31 December 2013	
	Secured RMB'000	**Unsecured RMB'000**	**Secured RMB'000**	**Unsecured RMB'000**
Amount repayable in one year or less, or on demand	150,000	1,454,173	415,581	906,001
Amount repayable after one year	1,023,180	1,108,095	1,008,990	267,038
Total	1,173,180	2,562,268	1,424,571	1,173,039

Details of collateral

The secured borrowings consist of bank loans that are provided to Jilin Midas and JMLA.

The bank loans to Jilin Midas are secured by the mortgage of land use rights, property, plant and equipment and various trade receivables with net book value of about RMB1,327.4 million (31 December 2013: RMB1,202.7 million). The bank loans to JMLA are guaranteed by the Company, Jilin Midas and Dalian Huicheng Aluminium Industries Co., Ltd (which is ultimately owned by Mr. Chen Wei Ping, who is the Executive Director and Chairman of the Company). The bank loans to JMLA are also secured by land use rights, future constructions and developments on the land including factory buildings, office buildings and workshops for auxiliary facilities, and two cold-rolling mills. The bank loans to Luoyang Midas are guaranteed by Jilin Midas.

(III) PROSPECTS

The PRC railway sector is expected to grow in the mid- to long-term, underpinned by the PRC Government's continuing investments into the development of the rail network in the PRC. China's growing participation in global rail opportunities is also expected to provide additional impetus to industry players.

Furthermore, the proposed merger between China's top two train makers - China CNR Corp. Ltd. and the CSR Corp. Ltd. to form CRRC Corporation Ltd will increase the competitiveness of the two giants in the global railway market in clinching additional overseas railway contracts, which could benefit industry players.

Overall, the Group expects these positive industry developments to bring about benefits for industry players and will continue to actively identify and harness opportunities in the PRC railway sector, other product segments as well as in export markets.

SUPPLEMENTARY INFORMATION

1. Audit Committee

The audit committee of the Company (the "Audit Committee") has reviewed the accounting principles and standards adopted by the Group, and has discussed and reviewed the internal control and reporting matters. The annual results for the year ended 31 December 2014 have been reviewed by the Audit Committee. As of the date of this announcement, the Audit Committee comprises three independent non-executive directors of the Company namely, Mr. Tong Din Eu (Chairman), Mr. Chan Soo Sen and Dr. Xu Wei Dong.

2. Compliance with the Corporate Governance Code

In the opinion of the directors of the Company (the "Directors"), the Company has complied with all the code provisions of the Corporate Governance Code and Corporate Governance Report (the "Code") as set out in Appendix 14 of the Listing Rules save for the deviation from code provision A.4.1 of the Code during the year ended 31 December 2014.

Under code provision A.4.1, non-executive directors should be appointed for a specific term, subject to re-election. Currently, none of the existing independent non-executive Directors is appointed for a specific term. However, all Directors are subject to the retirement and re-election provisions of the Articles of Association of the Company, which require that one-third of the Board shall retire from office by rotation every year and the retiring Directors are eligible for re-election. In addition, each of the Directors appointed to fill a casual vacancy will be subject to election by the shareholders at the first general meeting after such appointment. In view of this, the Board considers that such requirements are sufficient to

meet the underlying objective of the said code provision A.4.1 and, therefore, does not intend to take any remedial steps in this regard.

3. Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules and its amendments from time to time as its own code of conduct regarding securities transaction by the Directors. The Board confirms that, having made specific enquiries with all Directors, throughout the year ended 31 December 2014, all Directors have complied with the required standards of the Model Code.

4. Reconciliation between SFRS and IFRS

For the year ended 31 December 2014, there were no material differences between the consolidated financial statements of the Group prepared under SFRS and IFRS (which include all IFRS, International Accounting Standards and Interpretations).

5. Purchase, sale or redemption of the Company's listed securities

During the year ended 31 December 2014, neither the Company nor its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

6. Share Capital

No shares were issued during the financial year ended 31 December 2014.

As 31 December 2014, the share capital of the Company comprises 1,217,617,800 issued and fully paid ordinary shares (31 December 2013: 1,217,617,800 shares).

As at 31 December 2014, 1,000,000 ordinary shares were held as treasury shares (31 December 2013: 1,000,000 shares). During the year ended 31 December 2014, none of the treasury shares were sold, transferred, disposed, cancelled and/or used.

7. Employees, remuneration policy and employee share options

As at 31 December 2014, there were 2,156 (2013: 1,754) employees in the Group. Staff remuneration packages are determined in consideration of market conditions and the performance of the individuals concerned, and are subject to review from time to time. The Group also provides other staff benefits including medical and life insurance.

As at 31 December 2014, there were no unexercised share options under the Scheme. The Scheme expired on 5 January 2014.

8. Closure of register of members

A separate announcement regarding the book closure date, record date and the payment date regarding the proposed final dividend for the year ended 31 December 2014 will be published in due course.

9. Disclosure on the website of the Stock Exchange

This announcement is published on the website of the Stock Exchange (http://www.hkexnews.hk) and on the website of the Company (http://www.midas.com.sg).

On behalf of the Board
Midas Holdings Limited
Chew Hwa Kwang, Patrick
Executive Director and
Chief Executive Officer

Hong Kong, 27 February 2015

As at the date of this announcement, the executive Directors are Mr. Chen Wei Ping and Mr. Chew Hwa Kwang, Patrick; and the independent non-executive Directors are Mr. Chan Soo Sen, Dr. Xu Wei Dong and Mr. Tong Din Eu.