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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)

OVERSEAS REGULATORY ANNOUNCEMENT INSIDE INFORMATION

This announcement is issued pursuant to Part XIVA of the Securities and Futures Ordinance and Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Please refer to the attached announcement on the next page which has been published by Midas Holdings Limited (the “**Company**” or “**Midas**”) on the website of the Singapore Exchange Securities Trading Limited on 1 April 2019

On behalf of the
Midas Holdings Limited
Tong Din Eu
Executive Director

HongKong, 1 April 2019

As at the date of this announcement, the executive directors of the Company are Mr. Tong Din Eu and Dr. Xu Wei Dong; and the independent non-executive director of the Company is Mr. Chan Soo Sen.

LIQUIDATION OF MIDAS HOLDINGS LIMITED

1. Judicial Management of Subsidiaries

a) Jilin Midas Aluminium Industries Co., Pte Ltd (“**Jilin Midas**”)

On 5 January 2019, the judicial manager -吉林省啟明破產清算有限公司 (“**Qiming**”), of Jilin Midas proposed to sell all the business assets to 金豆投資控股集團有限公司 (“**Jin Dou**”) for RMB 1,760million. The various creditors groups voted on the proposal on 22 February 2019. On 22 March 2019 the Liaoyuan Court approved the sale.

According to a report prepared by Qiming, there are 321 creditors as at 10 July 2018 comprising:

Type	RMB
Secured Creditors	1,805,037,868.54
Tax Payable	10,476,060.93
Unsecured Creditors	11,741,678,483.32
Total	13,557,192,412.79

The proposed gross sale proceeds is about 13% of the amount owing to creditors.

In the proposed sale, Qiming had proposed writing off the equity held by North East Industries Pte Ltd (“**NEI**”)(a wholly owned subsidiary) in Jilin Midas. This means NEI holdings of Jilin Midas shares will worth zero. In addition, Qiming has also disputed the RMB 337 million outstanding dividend payable to NEI on the basis that profits recorded at Jilin Midas for previous years to be wrong. Thus, based on the proposed treatment, NEI will not receive any distribution from the sale of assets to Jin Dou.

b) Jilin Midas Light Alloy Co., Ltd (“**JMLA**”)

As JMLA is “not commercially viable”, the judicial manager, 吉林功承律師事務所 (“**Gongcheng**”) is unable to find any interested buyer for its business assets. In view of the above, Gongcheng has proposed on 18 January 2019 for JMLA to be liquidated. Gongcheng do not expect the liquidation proceeds to exceed the amount owing to creditors.

c) Luoyang Midas Aluminium Industries Co., Ltd (“**Luoyang Midas**”)

Similarly, due to the presence of cross guarantees between the subsidiaries, the judicial managers of Luoyang Midas, 河南千業律師事務所 (“**Jianye**”) and 洛陽興達破產清算服務有限公司 (“**Xinda**”) are unable to identify any buyer for Luoyang Midas. As such, the judicial managers are proposing to sell all business assets of Luoyang Midas at a creditors’ meeting on the 2 April 2019. Luoyang Midas is a subsidiary of Jilin Midas, so any surplus amount will be made available to Jilin Midas.

d) Dalian Huicheng Aluminium Industries Co., Ltd (“**DLHC**”)

Based on the creditor meeting report on 27 December 2018, the judicial manager of DLHC, 北京京都(大连)律師事務所 have until 28 March 2019 to restructure DLHC with interested buyers. The report described the outstanding approved debt to be about RMB 1,564m versus a cash balance of about RMB0.39m. As all material assets have been pledged, it is unlikely to have any net balance in a liquidation. The report also noted that the financial accounts to be improper and off-balance sheet accounts have been used to transfer funds.

e) Jilin Midas Investment Co., Ltd (“**JMI**”)

JMI is a 51% subsidiary of Jilin Midas, Qiming had reported that JMI has no assets and is “worth zero” at the first creditors meeting. The remaining 49% of Jilin Midas is owned by other subsidiaries of Midas.

f) Shanxi Wanshida Engineering Plastics Co., Ltd (“**Wanshida**”)

Land and buildings owned by Wanshida were pledged to Shanxi Rural Credit Cooperative for an undisclosed RMB 14million loan (the “**Undisclosed Wanshida Loan**”). Its supposedly balance of over RMB 61million at the ICBC branch was already “missing” before June 2016 when Mr. Chan Soo Sen and Mr. Tong Din Eu visited the ICBC branch on 7 June 2018. Around 27 December 2017, through a series of round tripping, the discrepancies in the cash balance was disguised as a receivable from Luoyang Midas. The Undisclosed Wanshida Loan, cash discrepancies was described in the announcement dated 14 June 2018.

Unknown to the Company previously, on 25 December 2018, the Shanxi Ruicheng County Peoples’ Court ruled Wanshida is to repay for another previously undisclosed RMB 400,000 loan (arranged by its legal representative, Mr. Ma MinZhang) starting from 29 January 2016 at 3% per month. We do not know how the proceeds of the loan was used. As Wanshida was supposed to have over RMB 60m in its bank account, it is also not reasonable to borrow at 3% per month when there is large cash balance in its bank account.

On the same day, the Shanxi Ruicheng County Peoples’ Court also froze the bank account belonging to Wanshida at the China Construction Bank due to an ongoing labor dispute.

As the PRC auditors for Wanshida have changed many times between 2014 to 2017, the PRC audited accounts of Wanshida cannot be located and thus the directors cannot file any police report.

2. Associate – CRRC Nanjing Puzhen Rail Transport Co., Ltd (“NPRT”)

Our 32.5% share in NPRT was pledged to noteholders of Note 003 under the Medium Term Note Programme (“**MTN**”) when it was extended in November 2017. The Notes 003 and 004 have a principal value of US\$60million and their related coupons have become due. As the board felt the pledge was not properly approved by the board, we are contesting the claim made at the Hong Kong International Arbitration Court (“**HKIAC**”). Due to shortage of funds, we are not represented by any legal professionals for the proceedings at HKIAC.

If we are successful in contesting the validity of the pledge, NPRT will still likely be sold and the proceeds distributed pro rata among all accredited creditors of Midas.

3. Hong Kong High Court Judgement

As announced on 17 August 2018, the High Court of the Hong Kong Special Administration Region awarded US\$7.3million in favour of CRRC (HK) on 9 August 2018 (the “**Judgement Debt**”). The award was in relation to a final judgement for letter of demand announced on 24 April 2018 and writ of summon announced on 2 May 2018.

To date, the Judgement Debt remains outstanding as Midas is already insolvent.

4. Guarantees provided by Midas Holdings

As shown during the Shareholders’ dialogue in May 2018, the Midas had the following guarantees and alleged guarantees

Subsidiary	Lender	31 Dec 17 RMB	Disputed	Remarks
Luoyang Midas	丰汇公司融资租赁	270m		These guarantees are recorded in the group accounts
JMLA	国家开发银行, 中信银行, 中国	840m		These guarantees are

	进出口银行			recorded in the group accounts
Jilin Midas	Advanced Manufacturing Industry Investment Fund		400m	AMIIF is claiming this at the Beijing Arbitration Court
Jilin Midas	Jilin Micro Refinancing Corp		379m	JPMRC claimed this at the Jilin High Court

These guarantees are enforceable on Midas if the related loans remained unpaid after payouts by the judicial management, sale of pledge assets etc. As the payouts and assets sale will not occur so soon, the final amount due from Midas is unknown. This uncertainty makes a rescue involving Midas difficult.

Beside the above-mentioned guarantees, there were numerous other disputed guarantees provided to individuals. These guarantees that accompanied previously undisclosed loans were provided mainly by the former Chairman without authorisation from the board of directors.

5. Insolvent status of Midas and Rescue

Midas is insolvent, its assets is not enough to cover its reported liabilities and prospect of rescue appears dim.

From Singapore High Court documents HC/S 420/2018, it appears that on 26 September 2018, the subsidiaries of HKSE listed CRRC Corporation Limited (“CRRC”) was awarded 236 million or 12.44% Midas shares belonging to Mr. Chen Wei Ping who had separately guaranteed the MTN Notes. These shares, if transferred to the subsidiaries of CRRC will make it the single largest shareholder.

Efforts to initiate a discussion with CRRC with a view to rescuing the Company was not successful.

In the meantime, many government agencies are pressing Midas to file annual returns, file tax returns, hold AGM. In the absence of a rescue and dwindling funds, Midas will be unable to maintain its listing status at SGX and HKSE, its company secretaries, share registrar etc. The current staffing of 2 persons also make fulfilling the compliance obligations of the dual SGX and HKSE listed Midas challenging.

6. Liquidation

Our Executive Director, Dr. Xu Wei Dong has issued a statutory demand for the unpaid salaries due to him.

As Midas does not have funds to contest this and other legal actions that other creditors may decide to take, Midas will be liquidated when the Court ordered it.

7. Other matters

We have documented and announced the irregularities of what we have discovered in our previous announcements. A short summary of the irregularities previously announced is attached as Appendix 1 to this announcement.

We understand the former chairman, Mr. Chen Wei Ping – a naturalised Singaporean, is in the People’s Republic of China since November 2017. His exact location is unknown but can be contacted through his lawyers which represented him for his defamation suit against Midas and the current board of directors.

The former CEO, Mr. Chew Hwa Kwang is located in Singapore.

We are unable to comment on the state of investigation.

In the course of our queries, we have reported numerous irregularities and noted that certain financial professionals may not have discharged their professional duties to the Group. We are not in a position to adjudge if such conduct is appropriate.

On 29 March 2018, the Company had announced it has lodged a report with the Commercial Affairs Department of the Singapore Police Force.

We do not have the necessary documentation and resources to lodge reports against the financial professionals in the PRC. As the judicial managers are answerable to the courts and the accounts are reviewed by them, such reporting of wrongdoings will be their purview.

However, we have lodged complaints to the relevant bodies in Singapore overseeing accounting professionals based in Singapore; such as Accounting and Corporate Regulatory Authority (“ACRA”) and Institute of Singapore Chartered Accountants (“ISCA”). The initial reports to ACRA was made on 4 May 2018 and ISCA was made on 19 November 2018.

To date, we have not receive any outcome of the enquiries conducted by ACRA and ISCA.

BY ORDER OF THE BOARD

Midas Holdings Limited

Tong Din Eu
Executive Director

Date: 1 April 2019