



Midas Holdings Limited

麦达斯控股有限公司

Registration No: 200009758W

NEWS RELEASE

MIDAS REPORTS 4.4% INCREASE IN 9MFY08 NET PROFIT TO S\$24.2 MILLION

- **Revenue up 12.2% to S\$110.6 million, lifted by higher sales from the Aluminium Alloy Division**
- **Strong cash position of S\$73.2 million as at Sep 30, 2008**
- **Declares third interim dividend of 0.25 Singapore cents per ordinary share**

Singapore, November 7, 2008 – Midas Holdings Limited (“Midas” or the “Group”) (麦达斯控股有限公司) today announced its results for the nine months ended September 30, 2008 (“9MFY08”). Group revenue rose 12.2% to S\$110.6 million, while net profit increased by 4.4% to S\$24.2 million.

For the three months ended September 30, 2008 (“3QFY08”), the Group’s revenue declined 8.2% from S\$39.1 million in the previous corresponding period (“3QFY07”) to S\$35.9 million in 3QFY08. Net profit declined by 15.8% to S\$8.0 million in 3QFY08.

Performance Review

During the quarter under review, the Group’s Aluminium Alloy Division, which contributed approximately 91% of the Group’s total revenue in this quarter, continued to deliver good results. Revenue for this division increased 8.7% to S\$32.6 million from S\$30.0 million in 3QFY07. Lower sales at the Group’s two other divisions impacted the Group’s topline for this quarter, which saw a decline of 8.2%. Notwithstanding the decrease in revenue suffered by the Group’s two smaller

divisions, which accounted for about 9% of total revenue in the current quarter, the Group's revenue for 9MFY08 still grew at 12.2% year-on-year.

Said Mr Patrick Chew (周华光), CEO of Midas, "While our Agency & Procurement and Polyethylene Pipe divisions' businesses were affected by the volatile market environment, we are pleased that our main core business – the Aluminium Alloy Division remained resilient and continued to grow in 3QFY08.

Given our leading market position in the PRC in the supply of extrusion profiles for train car bodies, we are optimistic that we will grow the Aluminium Alloy Division."

Profit contribution from Midas' associate company, Nanjing SR Puzhen Rail Transport Co., Ltd ("NPRT"), in which the Group holds a 32.5% equity stake, was approximately S\$1.1 million for 9MFY08. NPRT is currently building up production capacity and is in its initial phase. The Group expects contributions from NPRT on a quarterly basis to be progressively more stable.

The Group's income tax expenses in 3QFY08 increased by S\$0.9 million (S\$3.7 million for 9MFY08), or 94.7% (150.9% for 9MFY08), mainly due to changes in corporate income tax rates in the PRC. Since the first quarter ended March 31, 2008, profits from the Aluminium Alloy Division's 75MN and 55MN production lines are subjected to higher tax rates of 25% and 12.5% respectively. In 3QFY07, the 75MN line was taxed at 15%, while the 55MN line enjoyed full tax exemption.

As at September 30, 2008, the Group maintained a healthy cash position of S\$73.2 million with a net increase in cash and cash equivalents of S\$9.2 million during 3QFY08, after payments for dividends and fixed assets acquisition.

Outlook

The railway construction boom in the PRC is further reinforced by the government's plans to invest RMB2 trillion (or approximately S\$440 billion) on freight and passenger railway systems across the country, in a bid to ease congestion as well as promote economic growth in less developed areas. This will in turn drive demand for train cars and aluminium extrusion profiles in the country.

The Group is also positive on the future outlook for NPRT, which is currently in the midst of ramping up its production capacity to meet market demand. From FY2009 onwards, NPRT will be delivering a total order of 768 metro train cars for four metro train projects in the PRC; namely, the Nanjing Metro Line 2 Project, Shanghai Metro Line 10 Project, Nanjing Metro Line 1 Extension Project and Shanghai Metro Line 2 Eastern Extension Project.

To reward its shareholders, the Group is declaring a third interim cash dividend of 0.25 Singapore cents per ordinary share.

About Midas Holdings Limited

Founded in 2000, Midas is today a leading manufacturer of aluminium alloy extrusion products and PE pipes, primarily for the transportation and infrastructure sectors in the PRC. The Group operates three business divisions; namely, Aluminium Alloy, PE Pipe and Agency and Procurement.

Midas is a PRC certified supplier to the world's largest train manufacturers, ALSTOM, Siemens and Changchun Bombardier.

The Group's customers included MNCs and PRC state-owned companies such as Alstom Transport SA, Siemens Transportation Systems Group, CNR Changchun Railway Vehicles Co., Ltd, CNR Tangshan Rolling Stock Works, Nanjing SR Puzhen Rail Transport Co., Ltd, CSR Zhuzhou Electric Locomotives, etc.

The Group is also involved in high profile projects such as the Beijing – Tianjin High Speed Train Project, Regional Line Phase 1 Project, Shanghai MRT Line 1 Extension Project, Shanghai MRT Line 1 Extension 2 Project, Shanghai Line 2 Extension 1 Project, Shanghai Yangpu MRT Line Phase 1, Shanghai Metro Line 9 Project, Shanghai Pearl Line Project, Shenzhen MRT Line 1 Extension Project, Guangzhou MRT Line 3, Tianjin MRT, Nanjing Metro Line 1 Project, Nanjing Metro Line 2 Project, the Circle Line project in Singapore, Metro Oslo MRT in Norway, Valero Rus Project in Russia, Desiro Mainline Project in Germany, Helsinki-St. Petersburg Project, Beijing Airport Terminal 3 and the Shenzhen Exhibition Centre.

Midas also has a 32.5% equity stake in a Sino-foreign joint venture, Nanjing SR Puzhen Rail Transport Co., Ltd, to engage in the development, manufacturing and sale of metro trains and other related parts.

In September 2007, Midas was named “2007 China’s Top Brand” by the General Administration of Quality Supervision, Inspection and Quarantine of the People’s Republic of China (“AQSIQ”) (国家质量监督检验检疫总局).

Midas was also included in Forbes Asia’s “Best Under A Billion” list for three years consecutively from 2006 to 2008.

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