



Midas Holdings Limited

麦达斯控股有限公司

Registration No: 200009758W

NEWS RELEASE

MIDAS' 1QFY09 NET PROFIT INCREASES 11.2% TO S\$8.5 MILLION

- Revenue declined 13.1% due mainly to lower average selling prices of aluminium extrusion profiles as a result of falling raw material costs
- Gross profit margin improved from 36.0% to 42.1%
- Declares first interim cash dividend of 0.25 Singapore cents per ordinary share

Financial Highlights:

	1QFY09 S\$' million	1QFY08 S\$' million	Change %
Revenue	31.4	36.2	(13.1)
Gross Profit	13.2	13.0	+ 1.6
Gross Profit Margin	42.1%	36.0%	+ 6.1 ppt
Profit Before Tax	10.6	9.9	+ 6.6
Net Profit	8.5	7.7	+ 11.2
Basic EPS per share (cents)	1.01	0.91	+ 11.0

Singapore, May 13, 2009 - Midas Holdings Limited ("Midas" or the "Group") (麦达斯控股有限公司) today announced that the Group reported a net profit of S\$8.5 million for the first three months ended March 31, 2009 ("1QFY09"), up 11.2% from S\$7.7 million in the previous corresponding period ("1QFY08").

Revenue decreased 13.1% to S\$31.4 million as a result of the lower selling prices of the Group's aluminium extrusion profiles due to falling raw material costs, as well as lower revenue contribution from the PE Pipe and Agency and Procurement Divisions.

The Group's Aluminium Alloy Division remains the largest contributor to the Group's growth, accounting for 94.6% or S\$29.7 million of total revenue. The Transport Industry contributed 71.8% to the division's revenue, while the Power Industry and Others segment accounted for the remaining 14.6% and 13.6% respectively.

The Group's overall gross profit margin improved from 36.0% in 1QFY08 to 42.1% in 1QFY09, mainly due to the higher profit margins recorded by the Aluminium Alloy Division.

Said Mr Patrick Chew, (周华光) CEO of Midas, "Due to lower aluminium prices in 1QFY09, revenue from our Aluminium Alloy Division decreased by 1.8%. However, business volume at the division remained stable and the division's gross profit contribution increased 19.8% to S\$12.7 million. Gross profit margin for the division also improved from 35.1% to 42.7% in 1QFY09."

Midas' associated company, Nanjing SR Puzhen Rail Transport Co., Ltd ("NPRT"), had no delivery in 1QFY09. Hence, the Group shared a loss of about S\$0.1 million during the quarter. NPRT currently has total backlog orders of 768 train cars for four metro train projects in the PRC, which are expected to be delivered from the second half of FY2009 onwards.

As a result, net profit attributable to shareholders increased 11.2% to S\$8.5 million in 1QFY09.

As at March 31, 2009, the Group has a strong cash position of S\$42.7 million – a 31.8% increase from its cash balances as at December 31, 2008, and a healthy gross gearing ratio of 14.6%, putting it in good stead to finance future investments and working capital.

As a gesture of appreciation to its shareholders, the Group has declared a first interim dividend of 0.25 Singapore cents per ordinary share.

Outlook

Under the PRC government's RMB4 trillion stimulus package, which has a strong focus on rail infrastructural development, many new railway projects are being planned across the country. In addition, many PRC cities have plans to build mass rapid transit systems to ease traffic congestion.

Midas is a direct beneficiary of the PRC government's planned investments in the rail transportation industry, with demand for aluminium alloy extrusion profiles expected to increase significantly in the medium term.

To capitalise on the impending industry boom and to maintain its market leadership position, the Group is in the process of expanding the capacity of its Aluminium Alloy Division through the installation of a third production line. Upon completion, the third production line is expected to increase the division's annual production capacity from 20,000 to 30,000 tons.

To cater for further expansion in the longer term, the Group has completed the first phase of its acquisition of a 240,000 square metres plot of land and related fixed assets located at the Liaoyuan City Economic Development Zone near its existing production facilities in Jilin Province. The second and final phase of the acquisition is expected to be completed on or before 30 June 2009.

Commenting on the prospects for the Group, Mr Chew said, "Since the PRC government's public stimulus package was announced late last year, Midas has been actively laying the groundwork and gearing up to secure the new contracts that are slated to be coming up in the market. With our established track record in the PRC and our strong relationships with major rolling stock companies in the country, we are well-positioned to tap on the PRC rail infrastructure boom."

About Midas Holdings Limited

Founded in 2000, Midas is today a leading manufacturer of aluminium alloy extrusion products, primarily for the rail transportation sector in the PRC. The Group operates three business divisions; namely, Aluminium Alloy, PE Pipe and Agency and Procurement, which are strategically located in the PRC to capitalise on the opportunities arising from the rapid development of the PRC's rail transport and infrastructure sectors.

Midas is a PRC certified supplier to the world's largest train manufacturers, ALSTOM SA, Siemens and Changchun Bombardier. It is also a preferred supplier for Alstom Transport's projects globally, under Alstom's "Leading Partners 150" programme. Midas' customers include ALSTOM Transport SA, Siemens International Trading Ltd, Bombardier Transportation, Changchun Railway Vehicles Co., Ltd, CNR Tangshan Locomotive and Rolling Stock Works, Nanjing SR Puzhen Rail Transport Co., Ltd and CSR Zhuzhou Electric Locomotive Co., Ltd.

Since 2003, Midas has been involved in many high profile rail transport projects in the PRC. In addition, since 2004, it has also successfully exported its products to the international market including Europe, Korea and Singapore.

Besides its core business, Midas 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, bogies and their related parts.

In September 2007, Midas' Aluminium Alloy Division 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 named a Forbes Asia's Best Under A Billion Company consecutively for three years from 2006 to 2008.

ISSUED ON BEHALF OF : Midas Holdings Limited
BY : Citigate Dewe Rogerson, i.MAGE Pte Ltd
1 Raffles Place
#26-02 OUB Centre
SINGAPORE 048616
CONTACT : Ms Chia Hui Kheng / Ms Lee Ching Wern
at telephone
DURING OFFICE HOURS : 6534-5122 (Office)
AFTER OFFICE HOURS : 9781-5913 / 9781-1509 (Handphone)
EMAIL : huikheng.chia@citigatedrimage.com
chingwern.lee@citigatedrimage.com

057/09/002/MHL

May 13, 2009