



Midas Holdings Limited

麦达斯控股有限公司

Registration No: 200009758W

NEWS RELEASE

MIDAS POSTS 10.1% GROWTH IN NET PROFIT TO S\$9.4 MILLION IN 2Q2009

- Revenue for Aluminium Alloy Division grew 17.9% to S\$36.0 million
- Overall gross profit margin improved from 31.8% in 2Q2008 to 41.3% in 2Q2009
- Declares second interim cash dividend of 0.25 Singapore cents per ordinary share

Financial Highlights:

S\$'mil	2Q2009	2Q2008	Change %	1H2009	1H2008	Change %
Revenue	37.8	38.5	(1.8)	69.2	74.7	(7.3)
Gross Profit	15.6	12.2	27.6	28.8	25.2	14.2
Gross Profit Margin	41.3%	31.8%	9.5 ppt	41.6%	33.8%	7.8 ppt
Profit Before Tax	11.6	10.5	10.8	22.2	20.4	8.8
Net Profit	9.4	8.6	10.1	17.9	16.2	10.6
Basic EPS per share (cents)	1.12	1.01	10.9	2.13	1.92	10.9

Singapore, August 14, 2009 - Midas Holdings Limited ("Midas" or the "Group") (麦达斯控股有限公司) today announced a 10.1% increase in net profit to S\$9.4 million in the three months ended June 30, 2009 ("2Q2009") from S\$8.6 million in the previous corresponding quarter ("2Q2008").

Sales from the Group's Aluminium Alloy Division grew by 17.9% from S\$30.6 million in 2Q2008 to S\$36.0 million in 2Q2009. This contributed to about 95.4% of total revenue. Contribution from the Transport Industry accounted for 66.1% of the division's revenue while the Power Industry and Others segments contributed 18.3% and 15.6% respectively.

Commented Mr Patrick Chew (周华光), CEO of Midas, "The strong performance of our core business – the Aluminium Alloy Division - has contributed positively to the Group's revenue. Backed by our recent contract wins and accelerated capacity expansion plans, the Aluminium Alloy Division is set to drive the Group's growth in the years ahead."

In 2Q2009, the Aluminium Alloy Division also saw its gross profit margin jump from 33.2% in 2Q2008 to 42.3%, due to the decline in raw material costs. Overall, Group's gross profit margin was 41.3%.

For the quarter under review, Midas' associated company, Nanjing SR Puzhen Rail Transport Co., Ltd ("NPRT"), contributed S\$0.2 million to the Group's profits.

Consequently, profit attributable to shareholders surged 10.1% to S\$9.4 million in 2Q2009.

As at June 30, 2009, the Group maintained its strong cash position, with cash and bank balances of S\$54.8 million.

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

Outlook

The PRC government's plans for the construction of inter and intra-city railway and metros are underway, as it continues to develop its railway systems and boost its domestic economy.

Since June 2009, Midas has secured more than RMB1 billion worth of new contracts, including inter-city high speed train projects, metro and light rail projects and downstream fabrication services projects in the PRC, as well as metro projects in the Middle East.

In view of the increased customers' orders and potential market demand from the railway industry, the Group has stepped up its capacity expansion plans to add a further two aluminium alloy extrusion production lines, with production capacity of 20,000 tonnes per annum. Its third production line is set to commence operations in the second quarter of 2010, with a production capacity of 10,000 tonnes per annum. All in all, this will bring the Group's total production capacity from 20,000 tonnes currently to 50,000 tonnes per annum by the end of 2010.

Added Mr Chew, "Besides extrusion capacity growth, our expansion into downstream processing capabilities such as fabrication services strengthens our ability to offer a complete suite of products and services. This will position us well as we continue to bid for new contracts that are slated to be coming up in the market.

"With our established track record and strong relationships with major rolling stock companies in the PRC, we are well-positioned to tap on the rail infrastructure boom in the PRC and in overseas markets."

To fund its expansion plans, Midas successfully raised net proceeds of approximately S\$89.4 million through a private share placement of 120 million new shares in July 2009.

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.

In July 2009, Midas was awarded the prestigious International Railway Industry Standard (IRIS) certification, which represents the most stringent requirements on quality standards in the global rail transportation industry and is recognised by railway industry players worldwide. Midas is the first company in the PRC to receive the IRIS certification in its business category.

Midas is currently a PRC certified supplier to the world's largest train manufacturers, ALSTOM SA, Siemens and Changchun Bombardier. In addition, it is 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, it has also successfully exported its products to the international market including Europe, Middle East, Korea and Singapore since 2004.

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.

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