



Midas Holdings Limited

麦达斯控股有限公司

Registration No: 200009758W

NEWS RELEASE

MIDAS ANNOUNCES 14.9% RISE IN FULL-YEAR PROFIT ATTRIBUTABLE TO SHAREHOLDERS TO S\$37.5 MILLION

- Revenue from Aluminium Alloy Division climbed 12.9% to S\$143.0 million
- Proposes final cash dividend of 0.25 cents per ordinary share

Financial Highlights

S\$'mil	FY2009	FY2008	Change %
Revenue from Continuing Operations	150.0	138.1	8.6
Gross Profit	56.6	47.2	20.0
Gross Profit Margin	37.7%	34.2%	3.5 ppt
Profit Before Tax from Continuing Operations	46.5	37.8	22.9
Profit Attributable to Shareholders	37.5	32.7	14.9
Basic EPS (cents)	4.18	3.87	8.0
NAV per share (cents)	33.52	24.85	34.9

Singapore, February 26, 2010 - Midas Holdings Limited ("Midas" or the "Group") (麦达斯控股有限公司) today announced a 14.9% rise in net profit to S\$37.5 million for the financial year ended December 31, 2009 ("FY2009"). Revenue from continuing operations, namely the Aluminium Alloy Division and the Polyethylene Pipe Division, increased 8.6% to S\$150.0 million for the year. The Group had ceased the trading operations of its Agency & Procurement Division in March 2009 to focus on its core business.

The Group's key revenue contributor – the Aluminium Alloy Division experienced a 12.9% increase in revenue from S\$126.7 million in the financial year ended December 31, 2008 ("FY2008") to S\$143.0 million. This accounted for 95.4% of total revenue for the year. Within the division, the Transport Industry and Power Industry contributed 64.8% and 17.9% to revenue respectively. The remaining 17.3% of the division's revenue was attributable to the Others segment.

Overall gross profit margin was up 3.5 percentage points from 34.2% in FY2008 to 37.7% in FY2009. The increase was due to a higher gross profit margin of 38.4% at its Aluminium Alloy Division, compared to 35.2% in FY2008, resulting from a decline in raw material cost.

The Group's associated company, Nanjing SR Puzhen Rail Transport Co., Ltd ("NPRT") contributed S\$3.3 million in FY2009, representing a 73.1% increase from S\$1.9 million in FY2008.

Said Mr Patrick Chew (周华光), CEO of Midas: "NPRT has secured several high-profile metro projects and built a strong backlog order of train cars which were delivered from the second half of FY2009. We are confident of its growing contribution to the Group and optimistic of its ability to strengthen its market position in the PRC rail transport industry."

Combined with S\$0.3 million in profit from the Group's discontinued Agency and Procurement Division, FY2009 ended with a 14.9% growth in net profit attributable to shareholders from S\$32.7 million in FY2008 to S\$37.5 million.

Outlook for FY2010

In line with its plans to develop its public transportation infrastructural network, the PRC government has spent RMB600 billion on rail investments in 2009. The amount is set to grow to RMB823.5 billion in 2010, according to the country's Ministry of Railways.

Mr Chew said: "Since June 2009, the Group has clinched contracts worth over RMB1.5 billion for projects in the PRC. These include inter-city high-speed train projects, the Changchun Light Rail project, the Guangzhou Line 3 Airport Line project, as well as the Shenzhen Line 4 project."

"We are also encouraged by our contract wins beyond the PRC market. In FY2009, the Group has garnered maiden contract wins in the Middle East, namely for the Saudi Arabia Metro project and the Iran Metro project. We also secured a contract to supply aluminium alloy extrusion profiles for the Downtown Line Project in Singapore. This is our second metro project in Singapore following the Circle Line Project in 2003."

To meet the growing market demand, the Group's Aluminium Alloy Division has purchased aluminium alloy extrusion presses for its planned fourth and fifth production lines in FY2009. This is on top of the third production line which is expected to commence production in the second quarter of FY2010. By the end of FY2010, the Group will have a total annual production capacity of 50,000 tonnes.

The Group also made its foray into downstream train car bodies fabrication services in FY2009, which marked the beginning of a long-term strategy to become an integrated manufacturer and one-stop service supplier to the rail transportation industry.

Mr Chew said: "Moving forward, the Group will continue to expand its service offering progressively and explore additional revenue streams. This will also allow the Group to better cater to the increasingly demanding requirements of its customers in the PRC and international markets."

To thank its shareholders, the Group is declaring a final cash dividend of 0.25 Singapore cents per ordinary share. In total, this works out to a total dividend payout amounting to 1.0 cents per share for the year.

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. Midas' operations 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 four years from 2006 to 2009.

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