



Midas Holdings Limited

麦达斯控股有限公司

Registration No: 200009758W

NEWS RELEASE

MIDAS ACHIEVES 16.6% INCREASE IN 1Q2010 PROFIT TO S\$9.9 MILLION

- *Aluminium Alloy Division's revenue surged 49.7% to S\$44.5 million*
- *Proposes first interim dividend of 0.25 cents per ordinary share*

Financial Highlights

| (S\$'mil) | 1Q2010 | 1Q2009 | Change % |
|-------------------------------------|--------|--------|----------|
| Continuing Operations: | | | |
| - Revenue | 46.1 | 31.2 | 47.5 |
| - Gross profit | 15.0 | 13.2 | 13.8 |
| - Profit before tax | 12.1 | 9.9 | 21.8 |
| - Profit after tax | 9.9 | 8.0 | 23.8 |
| Profit from discontinued operations | - | 0.5 | NM |
| Total profit for the period | 9.9 | 8.5 | 16.6 |

Singapore, May 6, 2010 - Midas Holdings Limited ("Midas" or the "Group") (麦达斯控股有限公司) today announced its financial results for the three months ended March 31, 2010 ("1Q2010"). Profit from continuing operations, namely the Aluminium Alloy Division and the Polyethylene Pipe Division, rose 23.8% year-on-year from S\$8.0 million in the three months ended March 31, 2009 ("1Q2009") to S\$9.9 million in 1Q2010. This was on the back of a 47.5% increase in revenue from continuing operations from S\$31.2 million in 1Q2009 to S\$46.1 million in 1Q2010.

The Group's core business and key growth contributor, Aluminium Alloy Division, registered S\$44.5 million in revenue in 1Q2010, a 49.7% surge from S\$29.7 million in 1Q2009. Accounting for approximately 96.7% of Group revenue from continuing operations in the quarter under review, the division saw the Transport Industry and Power Industry contributing 69.6% and 9.7% respectively to its revenue. The Others segment accounted for the balance 20.7% of division revenue.

Due to an increase in raw material costs, gross profit margin of the Aluminium Alloy Division was lower at 33.2% in 1Q2010, compared to 42.7% in 1Q2009. This resulted in a decline in the Group's overall gross profit margin from 42.3% in 1Q2009 to 32.6% in 1Q2010.

During the period under review, selling and distribution expenses increased S\$0.5 million or 73.0% to S\$1.2 million, due to an increase in transport costs, consumable items and staff costs, which was led by higher business volume at the Aluminium Alloy Division. Administrative expenses increased S\$1.3 million or 67.4% to S\$3.3 million, mainly due to higher payroll costs and an increase in depreciation, utilities and property taxes.

In 1Q2010, contribution from the Group's associated company Nanjing SR Puzhen Rail Transport Co., Ltd ("NPRT") amounted to S\$1.7 million.

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

Outlook

The Group's expansion plans are on track. With the addition of its third, fourth and fifth aluminium alloy extrusion production lines, the Group's annual production capacity is expected to increase from the existing 20,000 tonnes to 50,000 tonnes by end 2010. The Group is also in the process of installing new downstream train car bodies fabrication lines. By end 2010, the Group will have the capabilities to process car bodies components for 1,000 high speed train cars per annum.

Mr Patrick Chew (周华光), CEO of Midas, said, “We believe that plans for the development of railway projects such as inter-city high speed train projects, are set to continue in the years ahead. In addition, many PRC cities will continue with their plans to build new metro lines or enhance their metro train infrastructure in order to combat traffic congestions. Being a major supplier to the licensed train manufacturers in the PRC, we are optimistic that our Aluminium Alloy Division will be a direct beneficiary of these massive government initiatives.”

“Besides the PRC market, the outlook for the international rail transportation market is also expected to be positive in the years ahead. We intend to leverage on our strong track record to enhance our presence globally.”

“With clear growth strategies and business expansion plans in place, we believe that Midas is closer to our vision of becoming an integrated manufacturer and one-stop service supplier to the rail transportation industry,” added Mr Chew.

About Midas Holdings Limited

Founded in 2000, Midas is today the leading manufacturer of aluminium alloy extrusion products for the passenger rail transportation sector in the PRC. Midas is internationally recognised for its quality products and services, and is certified to supply to top global train manufacturers, ALSTOM, Siemens AG and to divisions of Bombardier.

Midas has to date participated in more than 30 high profile rail transport projects both in the PRC and internationally, including Singapore’s Circle Line Project and the Downtown Line Project. Since June 2009, the Group has secured contracts with a total value of more than RMB1.5 billion, for inter-city high speed trains and metro train projects in the PRC and in the Middle East.

Midas' customers include domestic PRC licensed train manufacturers from China South Locomotive and Rolling Stock Industry Group and China North Locomotive and Rolling Stock Industry Group, as well as international customers such as ALSTOM, Siemens and Bombardier.

Midas also holds a 32.5% equity stake in Nanjing SR Puzhen Rail Transport Co., Ltd ("NPRT"), which is one of only four rolling stock companies licensed to tender for national metro train manufacturing projects in the PRC.

Midas is one of only six companies, and the only aluminium alloy extrusion products manufacturer, in Asia to be included in the Forbes Asia's "Best Under A Billion" list for four consecutive years from 2006 to 2009, in recognition of its consistent growth and profitability.

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053/10/005/MHL

May 6, 2010