



Midas Holdings Limited

麦达斯控股有限公司

Registration No: 200009758W

NEWS RELEASE

MIDAS' 2Q2010 PROFIT ATTRIBUTABLE TO SHAREHOLDERS UP 17.6% TO S\$11.1 MILLION

- **Revenue from core business Aluminium Alloy Division grows 26.4% to S\$45.5 million**
- **Contribution from associate NPRT increases from S\$0.2 million to S\$2.4 million**
- **Proposes second interim dividend of 0.25 Singapore cents per ordinary share**

Financial Highlights

(S\$'mil)	2Q2010	2Q2009	Change %	1H2010	1H2009	Change %
Continuing Operations:						
- Revenue	47.6	37.8	25.8	93.6	69.0	35.6
- Gross profit	15.4	15.6	(1.4)	30.4	28.8	5.6
- Profit before tax	13.2	11.8	12.5	25.3	21.7	16.7
- Profit after tax	11.1	9.5	16.5	21.0	17.5	19.9
Profit from discontinued operations	--	(0.09)	NM	--	0.4	NM
Total profit for the period	11.1	9.4	17.6	21.0	17.9	17.1

Singapore, August 13, 2010 - Midas Holdings Limited (“Midas” or the “Group”) (麦达斯控股有限公司) today posted a 17.6% increase in profit attributable to equity holders to S\$11.1 million for the three months ended June 30, 2010 (“2Q2010”). Profit from the Group’s continuing operations rose 16.5% from S\$9.5 million in the corresponding period in 2009 (“2Q2009”) to S\$11.1 million.

Group revenue increased 25.8% from S\$37.8 million in 2Q2009 to S\$47.6 million in 2Q2010. This was driven mainly by an increase in sales volume from the Aluminium Alloy Division. Revenue from the Aluminium Alloy Division increased 26.4% from S\$36.0 million in 2Q2009 to S\$45.5 million in 2Q2010, accounting for 95.6% of total revenue for the quarter.

Within the division, the Transport Industry, Power Industry and Others segment contributed to 77.9%, 4.8% and 17.3% of its revenue respectively.

The Group reported an overall gross profit margin of 32.4% in 2Q2010, compared to 41.3% in 2Q2009. This was due to higher raw material costs resulting in a lower gross profit margin of 33.1% at the Aluminium Alloy Division for the quarter under review.

Administrative expenses rose 30.0% to S\$3.0 million in 2Q2010. This was mainly due to higher payroll costs arising from an increase in headcount in line with the Group’s current expansion plans, salary revision and increase in depreciation, utilities and property taxes.

Contribution from the Group’s associated company Nanjing SR Puzhen Rail Transport Co., Ltd (“NPRT”), increased from S\$0.2 million in 2Q2009 to S\$2.4 million in 2Q2010, due mainly to an increase in delivery of train cars.

For the six months ended June 30, 2010, the Group’s revenue was up 35.6% to S\$93.6 million while its total profit attributable to equity holders increased 17.1% to S\$21.0 million.

The Group's cash position remains strong as at June 30, 2010, with cash and cash equivalents of S\$103.2 million.

In appreciation of the support from its shareholders, the Group has declared a second interim dividend of 0.25 Singapore cents per ordinary share.

Outlook

During the quarter under review, the Group continued to win contracts with the support of its customers in the PRC. These contracts include the supply of aluminium alloy extrusion profiles to the Pearl River Delta Inter-City Train Project (Dongguan – Shenzhen Section) (珠江三角洲穗莞深城际轨道交通项目(莞深段)) and Dongguan – Huizhou Inter-City Train Project (东莞至惠州城际轨道交通项目), and the Hangzhou Metro Line 1 Project, as well as the supply of aluminium alloy extrusion profiles and fabricated parts to the “CRH5 EMU” inter-city high-speed train project.

In addition, the Group signed a Letter of Intent (“LOI”) with Bombardier Sifang (Qingdao) Transportation Ltd. (青岛四方庞巴迪铁路运输设备有限公司) (“BST”) for the provision of downstream fabrication services to the “CRH1” 380km/h high-speed train project, following the contract in January 2010 for the supply of aluminium alloy extrusion profiles.

Mr Patrick Chew (周华光), CEO of Midas, said, “The Group's expansion into the provision of downstream fabrication services is progressing well, as evidenced by the increase in such contracts awarded to us. As we continue to strengthen our integrated manufacturing and processing capabilities, we are confident that we will be able to secure more business opportunities and capitalise on the growth in demand ahead.”

By end 2010, the Group expects to increase its annual production capacity for aluminium alloy extrusion profiles from the existing 20,000 tonnes to 50,000 tonnes, while its downstream fabrication capacity is expected to increase from the current 300 train cars to 1,000 train cars per annum.

Further to announcements made by Midas on March 3, 2010, March 15, 2010 and March 22, 2010, as well as the circular dated April 7, 2010, preparatory work for Midas' proposed secondary listing on the Stock Exchange of Hong Kong Limited is still in progress. Midas will announce any material updates when appropriate.

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, 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.

Midas was also awarded Gold for the Best Investor Relations Award, for companies with S\$300 million to less than S\$1 billion in market capitalisation, at the Singapore Corporate Awards 2010.

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