



NEWS RELEASE

MIDAS NET PROFIT JUMPS 71% FROM S\$9.0 MILLION TO S\$15.3 MILLION

FY2004 Financial Highlights

- Group's revenue soared 77.3% from S\$34.0 million to S\$60.2 million
- Profit Before Tax surged 106.9% from S\$9.0 million to S\$18.5 million
- Net profit rose 70.9% from S\$9.0 million to S\$15.3 million
- Net Asset Value jumped 89.5% from 5.41 cents to 10.25 cents
- Earnings Per Share up 42.2% to 2.29 cents
- Proposed final dividend of 0.25 cents per share

SINGAPORE, February 23, 2005 – Sesdaq-listed Midas Holdings Limited (“Midas”) (麦达斯控股有限公司), a leading manufacturer of aluminium alloy extrusion products and polyethylene pipes (“PE Pipes”) for the transportation industries and infrastructure development in the PRC, today announced that for the financial year ended 31 December 2004 (“FY2004”), the Group achieved a 106.9% increase in pre-tax profit from S\$9.0 million to S\$18.5 million on the back of a strong revenue growth. Its revenue rose 77.3% from S\$34.0 million to S\$60.2 million whilst net profit increased 70.9% from S\$9.0 million to S\$15.3 million.

Well Positioned to Benefit from the Strong Growth in Transportation and Utilities Industries in the PRC

Said Mr Patrick Chew (周华光), CEO of Midas: "Our performance in FY2004 was boosted by the strong demand for our quality products by both MNCs and PRC companies in the transportation and utilities industries. With the existing and spate of upcoming projects, particularly in the transport sector in the PRC, we are optimistic that we will continue to benefit from the strong growth in both industries.

We expect our Aluminium Alloy Division to be the Group's main driving force as the PRC transport sector is expected to be on an accelerating path. We will benefit from upcoming MRT/LRT projects and mega high-speed train projects such as the Beijing to Shanghai project and the Regional Lines project. In addition, our newly awarded QF global sourcing Grade "A" international certification by our customer, Alstom Transport SA, one of the top train manufacturers in the world, in accordance to the Alstom Transport Standard, enables us to become the global sourcing partner for all Alstom transport units. We are currently expanding our production capacity from 10,000 to about 20,000 tonnes by adding a new production line by end of FY2005 to cater to the upcoming potential demand."

Going forward, the Group's PE Pipe Division will continue to focus on the gas transmission and water distribution infrastructure projects in the PRC, where PE Pipes are used in the transmission and distribution networks in the municipals.

Performance Review

Midas achieved robust revenue growth on the back of higher business volume in both its business divisions. In particular, its Aluminium Alloy Division recorded a huge surge of 111.6% in its revenue from S\$18.2 million to S\$38.5 million whilst revenue from its PE Pipe Division rose 37.7% from S\$15.8 million to S\$21.7 million.

Earnings per share for the Group rose 42.2% from 1.61 cents to 2.29 cents while net asset value per share increased 89.5% from 5.41 cents to 10.25 cents.

Added Mr Patrick Chew: "FY2004 marked our first foray into the European market as we secured new contracts from the Siemens Group. One of these contracts is to provide aluminium alloy profiles for use in the Norway Metro project. We expect to increase our penetration into the international markets and we are already beginning to see more enquires from Europe, the Middle East and Africa."

Dividend

To reward its loyal shareholders for their support, the Group has proposed a final dividend of 0.25 cents per share.

About Midas Holdings Limited

Midas was founded in 2000 by two entrepreneurs, Mr Patrick Chew and Mr Chen Wei Ping, to tap the business opportunities in the PRC. Today, Midas has grown to become a leading manufacturer of aluminium alloy extrusion products and PE pipes, primarily for the transportation and infrastructure sectors in the PRC.

Its customers include MNCs and state-owned companies such as Alstom Transport SA, Siemens International Trading Ltd. and Harbin Feida Mechanical Forging Co., Ltd. The Group is also involved in high profile projects such as the Shanghai Pearl Line Project, Metro Oslo MRT in Norway, Guangzhou MRT Line 3, Tianjin MRT, Nanjing MRT, the Circle Line project in Singapore and the Shenzhen Exhibition Centre.

Midas is currently the only manufacturer in the PRC that has been accredited the QF global sourcing Grade "A" international certification by Alstom Transport SA, in accordance to the Alstom Transport Standard.

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