



NEWS RELEASE

MIDAS 1H FY05 NET PROFIT INCREASES TO S\$8.1 MILLION

Financial Highlights for First Half 2005:

- Revenue up 8.8% to S\$33.1 million
- Net Profit up 16.7% to S\$8.1 million
- NAV up 1.0 cents to 11.25 cents
- 2nd quarter interim cash dividend 0.25 cents per ordinary share

Singapore, August 12, 2005 - Midas Holdings Limited (“Midas”) (麦达斯控股有限公司), one of the leading manufacturers of aluminium alloy extrusion products and polyethylene pipes (“PE Pipes”) for infrastructure and transport industries in the PRC, today announced that its net profit has increased 16.7% to S\$8.1 million for the period ended 30 June 2005 (“1H FY05”).

This was on the back of higher sales recorded in both the Aluminium Alloy Division and PE Pipes Division. Revenue increased by 8.8% or approximately S\$2.7 million to S\$33.1 million from the S\$30.4 million recorded in 1H FY04.

The transport industry remains the largest contributor to Midas’ Aluminium Alloy Division, comprising 42.5% of the revenue generated by the division in 1H FY05. On the other hand, the gas industry was the key contributor in the PE Pipe Division’s revenue in 1H FY05, accounting for 72.4% of the division’s revenue. The Group achieved a better net profit margin of 24.5% compared to 22.8% in 1H FY04.

The Group has a healthy balance sheet, with a current ratio of 3.2x in 1H FY05 compared to 2.9x in 31 Dec 04. Cash and bank balances increased by approximately S\$10.1 million in 1H FY05 largely due to a higher cash generated from operations.

“We had earlier announced new contracts for both our Aluminium Alloy Division and PE Pipes Division, which will have positive impact on our financials in FY2006 and FY2007. We will continue to capitalise on our competitive advantage in supplying large section aluminium alloy profiles and believe that the new contracts signed are just the beginning of the massive upgrading project for the PRC railway infrastructure.

We will continue to strengthen our foothold in the new and replacement markets for the PRC infrastructure projects, especially in the railway transport industries. We have also recently seen the application of our aluminium alloy extrusion products in other industries, such as supplying louver panels for the Beijing International Airport Terminal 3 project, which will provide a new source of revenue for us. With the PRC’s economy expected to continue its growth, we are optimistic about achieving continued good results for our Group,” said Mr Patrick Chew (周华光), CEO of Midas.

The Group has declared a second interim dividend of 0.25 Singapore cents per share.

Summary of Contracts Sealed in 1H FY05

Aluminium Alloy Division

- RMB103.0 million contract to supply aluminium alloy profiles for Electrical Multiple Unit High Speed Train Car Bodies.
- RMB28.0 million contract to supply aluminium alloy profiles for Shanghai MRT Line 1 Extension 2 Car Bodies.
- RMB21.2 million contract to supply large section aluminium alloy profiles for use as louvre panels in the construction of Beijing International Airport Terminal 3.

PE Pipes Division

- RMB27.5 million contract to supply PE Pipes for gas and water for projects in the Inner Mongolia region.

About Midas Holdings Limited

Founded in 2000, Midas is today 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, Changchun Railway Vehicles Co. Ltd and Harbin Feida Mechanical Forging Co., Ltd. The Group is also involved in high profile projects such as the Regional Line Project in the PRC, Shanghai MRT Line 1 Extension 2 Project, Shanghai Pearl Line Project, Metro Oslo MRT in Norway, Guangzhou MRT Line 3, Tianjin MRT, Nanjing MRT, the Circle Line project in Singapore, and Beijing International Airport Terminal 3.

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