

MIDAS HOLDINGS 3Q2004 NET PROFIT SURGES 99.8% TO S\$3.7 MILLION

3Q2004 Financial Highlights:

- Group revenue recorded a 111.6% jump to S\$15.6 million from S\$7.4 million
- Net profit up 99.8% from S\$1.8 million to S\$3.7 million
- Earnings per share rose 66.7% from 0.33 cents to 0.55 cents
- Net asset value per share of 6.40 cents
- Cash dividend of 0.25 cents per share

SINGAPORE, November 12, 2004 – 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 infrastructure and transport industries in the PRC today announced that for the three months ended 30 September 2004 (“3Q2004”), the Group recorded a net profit jump of 99.8%, from S\$1.8 million to S\$3.7 million on the back of a 111.6% increase in Group revenue to S\$15.6 million from the S\$7.4 million recorded in the previous corresponding period.

Performance Review

The Group’s set of sterling results is attributable to the high growth in both its business divisions, driven by continuous growth in the transportation sector and infrastructure developments in the PRC.

“The PRC government has continued its emphasis on building a strong transportation network and in developing its infrastructure. We see excellent opportunities for ourselves in these two sectors. To continue our rapid growth, we plan to boost our presence in both the PRC and overseas market by stepping up our marketing and sales efforts and fostering closer ties with our customers,” said Mr Patrick Chew (周华光), Chief Executive Officer of Midas.

Growth Drivers

Going forward, the Group is confident that it will continue to achieve good performance in the current financial year.

“These are exciting times for businesses like ours in the PRC. The growth opportunities will come from both inter and intra-city links projects such as the Beijing to Shanghai project, Regional Lines, and Guangzhou MRT line, Shanghai Yangpu and extension MRT lines.” said Mr Patrick Chew.

Aluminium alloy has also become a popular substitute for steel in the construction of train freight wagons. Benefiting from this trend, the Group has recently secured contracts with a total worth of S\$5.26 million with four train freight wagon manufacturers for the supply of aluminium alloy extrusion profiles.

Commenting on the increased demand for aluminium alloy extrusion profiles, Mr Patrick Chew said: “We expect to see an increase in demand for our aluminium alloy extrusion profiles and are gearing up to meet the expected surge in demand. We plan to raise our production capacity by adding a new production line and supporting ancillary equipment. This will double our production capacity from 10,000 tonnes to approximately 20,000 tonnes and will enable us to capture a larger market share and cater to the needs of our customers. The funding for this purchase will come from the proceeds of the recent share placement.”

For its PE Pipe Division, the Group is targeting the “West to East Piping and Transmission Network” and the “South to North Water Diversion” projects which are huge infrastructure projects that the Group aims to capitalize on.

Dividend

To reward the shareholders for their support and loyalty, the Group has declared a cash dividend of 0.25 cents per share.

About Midas

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.

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