



## NEWS RELEASE

### MIDAS' 1QFY07 NET PROFIT INCREASES 50% TO S\$6.6 MILLION

#### Financial Highlights

- Revenue up 34.3% to S\$28.8 million
- Gross Profit up 47.3% to S\$10.2 million
- Net profit up 50% to S\$6.6 million
- Declared interim dividend of 0.5 Singapore cents per share

*Singapore, May 11, 2007* - Midas Holdings Limited ("Midas" or the "Group") (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 the infrastructure and transport industries in the PRC, today announced that the Group recorded a net profit of S\$6.6 million for the first three months ended March 31, 2007 ("1QFY07"), up 50% compared to the previous corresponding period.

Revenue increased 34.3% to S\$28.8 million in 1QFY07 compared to S\$21.4 million in 1QFY06, driven by higher business volume at the Group's Aluminium Alloy Division as it was able to fulfill more customers orders through its new 55MN aluminium alloy extrusion production line which became operational in the second half of 2006.

The Group's Aluminium Alloy Division continued to be the largest contributor to Group revenue, accounting for 80.8% or S\$23.3million. The PE Pipe Division and Agency and Procurement Division contributed 12.4% and 6.8% respectively.

Overall, the Group's gross profit margins improved to 35.3% in 1QFY07 compared to 32.1% in 1QFY06. Gross profit increased 47.3% to S\$10.2 million in 1QFY07. Gross profit margin for the Aluminium Alloy Division remained stable at about 38%.

Income tax expense fell by 22.3% despite higher profits mainly due to full tax exemptions for profits from the new 55 MN production line for two years and thereafter at a tax rate of 15% for the next three profit years from FY2006.

### **Outlook for 2007**

Moving forward, the Group is well positioned to continue its strong performance, given the good start in the first quarter when the Group secured a contract to supply an additional 10 train sets for the Regional Line High Speed Train Phase 1 Contract. This makes the Group the sole supplier for the local content portion of this project. In addition, its market leadership position was further entrenched when it was selected as the sole supplier for the Shanghai MRT Line 2 Extension Project.

"Our efforts to grow beyond the PRC received a strong boost when we secured two export contracts from Siemens in February 2007, for their projects in Germany for the Desiro Mainline Project and Russia for the Valero Rus Project.

We also expect to see increasing contribution from our associate company Nanjing SR Puzhen which has started commercial operation since January 2007 and recently together with its consortium partners, secured a contract to supply 24 train sets with a total of 144 train cars for the Nanjing Metro Line 2 Phase 1 Project. This contract, valued at RMB1.25 billion, is an encouraging start. Puzhen's share for the contract is expected to be 70%. With Puzhen as one of the only four rolling stock companies in the PRC licensed to manufacture and sell metro trains on a nationwide basis, we are confident of its growth prospects and will strive to secure more metro projects in the PRC.", said Mr Patrick Chew (周华光), CEO of Midas.

The Group other joint venture, through an agreement to invest RMB300 million for a 30% stake in a Sino-foreign joint venture company, China Northeast Light Alloy Co., Ltd, is pending approvals from the relevant PRC authorities. The existing company has been granted the approval by China State Development and Reform Commission to embark on a new project to manufacture super large specification and special function aluminium alloy plates and sheets. These will mainly be used in the aviation, aerospace, shipbuilding, transportation and petrochemical industries.

To reward its shareholders, the Company has declared a first interim dividend of 0.5 Singapore cents per ordinary share, a 100% increase over the corresponding period in 1Q2006 of 0.25 cents per ordinary share.

### **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. The Group's operates three business divisions; namely, **Aluminium Alloy, PE Pipe** and **Agency and Procurement**.

Midas is the only PRC certified supplier to the world's largest train manufacturers, ALSTOM SA, Siemens and Changchun Bombardier.

Midas' customers include MNCs and state-owned companies such as ALSTOM Transport SA, Siemens International Trading Ltd. and Changchun Railway Vehicles Co., Ltd. The Group is also involved in high profile projects such as the Beijing – Tianjin High Speed Train Project, Regional Line Phase 1 Project, Shanghai MRT Line 1 Extension 2 Project, Shanghai MRT Line 1 Extension Project, Shanghai Yangpu MRT Line Phase 1, Shanghai Pearl Line Project, Metro Oslo MRT in Norway, Guangzhou MRT Line 3, Tianjin MRT, Nanjing MRT, the Circle Line project in Singapore, Beijing Airport Terminal 3 and the Shenzhen Exhibition Centre.

Midas established two separate joint ventures to further expand its product offerings and penetrate into new industries such as aviation and aerospace, communication, petrochemical and energies, as well as to engage in the development, manufacturing and sale of metro trains, bogies and their related parts.

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