



**Midas Holdings Limited**  
麦达斯控股有限公司  
Registration No: 200009758W

## NEWS RELEASE

### MIDAS REPORTS A 39.5% JUMP IN NET PROFIT TO S\$25.6 MILLION IN FY2006

#### Financial Highlights

- Revenue up 48.7% to S\$104.8 million
- Net profit up 39.5% to S\$25.6 million
- Proposes final dividend of 0.5 Singapore cents each

*Singapore, February 27, 2007* – Main Board-listed 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 for the financial year ended December 31, 2006 (“FY2006”) surged 39.5% to S\$25.6 million from S\$18.3 million recorded in the previous corresponding period (“FY2005”).

On the back of higher business volume recorded from the Group’s Aluminium Alloy Division, which saw higher output resulting from its new 55MN aluminium alloy extrusion production line and maiden contribution by the Group’s Agency and Procurement Division, Group revenue jumped 48.7% to S\$104.8 million from S\$70.5 million recorded in FY2005. Correspondingly, the Group’s gross profit increased 30.9% from S\$26.2 million to S\$34.2 million in FY2006.

“2006 has been a rewarding year for us. Production bottlenecks in our Aluminium Alloy Division was greatly eased by the newly added 55MN line that became operational in July 2006. As a result, we were able to take on more projects and fulfill more customer orders,” said Mr Patrick Chew (周华光), CEO of Midas.

The Group's Aluminium Alloy Division continues to be the largest contributor to Group revenue, accounting for 68.5% or S\$71.8 million. The PE Pipe Division and Agency and Procurement Division contributed 20.2% and 11.3% respectively. The Transport Industry segment was the key contributor for the Aluminium Alloy Division, contributing about 46.1% of the division's revenue. For the PE Pipe Division, the gas industry segment contributed about 92.5% of its revenue.

Cash and bank balances remained at a healthy level of S\$43.0 million as compared to S\$24.0 million at the end of 2005. This was a result of higher cash generated from operating activities and net proceeds raised from the issuance of new placement shares.

"Significantly, we have advanced to become the sole supplier for some of the PRC metro train projects, the latest being the Shanghai MRT Line 2 Extension 1 Project. For high speed train projects, we also managed to emerge as the sole supplier for the local content portion of two high profile projects, namely, The Regional Line Phase 1 Project (awarded by Changchun Railway Vehicles in collaboration with Alstom) and The Beijing to Tianjin High Speed Train Project (awarded by CNR Tangshan Rolling Stock Works in collaboration with Siemens)," commented Mr Chew.

"In addition to the PRC projects, we have also expanded our presence in the international markets in 2006. Besides the follow-on contract for the Norway Oslo Metro train project, we were also awarded two new contracts by Siemens to supply aluminium alloy extrusion profiles for the Desiro Mainline Project in Germany and Valero Rus Project in Russia. This has given us greater confidence in establishing a stronger presence in the international market in future," added Mr Chew.

In order to strengthen the Group's leading position in the PRC metro train manufacturing industry, Midas has taken up a 32.5% stake in Nanjing SR Puzhen Rail Transport Co., Ltd ("Puzhen") (南京南车浦镇城轨车辆有限公司), a joint venture company set up to develop, manufacture and sell metro trains. Given the limited number of market players in the PRC, the Group believes Puzhen will benefit from the strong demand for new and expansion metro train projects in the PRC.

Besides the strategic move to venture into metro train manufacturing, the Group has also signed an agreement in September 2006 to invest RMB300 million for a 30.0% stake in a proposed Sino-foreign joint venture company, China Northeast Light Alloy Co., Ltd (“CNELA”) (东北轻合金有限责任公司). 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 used mainly in the aviation, aerospace, shipbuilding, transportation and petrochemical industries.

“With Puzhen commencing commercial production in FY2007 and upon the approval of CNELA, we are able to expand our scope of business to include manufacturing of metro train and super large specification and special function aluminium alloy plates and sheets, we are optimistic that we will be able to achieve good performance,” said Mr Chew.

Midas has proposed a final cash dividend of 0.50 Singapore cents, making the total dividend declared for FY2006 to be 1.50 Singapore cents per share (FY2005: 1.00 Singapore cent per 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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