



Midas Holdings Limited

麦达斯控股有限公司

Registration No: 200009758W

NEWS RELEASE

MIDAS' 9M FY05 NET PROFIT INCREASES 16.6% TO S\$12.4 MILLION

9M FY05 Financial Highlights:

- Revenue up 5.9% to S\$48.7 million
- Net Profit rose 16.6% to S\$12.4 million
- NAV up 14.9% to 11.78 cents
- 3rd quarter interim cash dividend 0.25 cents per ordinary share

Singapore, November 11, 2005 - 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 its net profit rose 16.6% to S\$12.4 million for the nine months ended September 30, 2005 ("9M FY05"). This was achieved on the back of a 5.9% increase in revenue to S\$48.7 million during the same period.

Performance Review

The Group's revenue growth was mainly driven by higher revenue recorded by the Aluminium Alloy Division, which contributed 70.5% of total group revenue in 9M FY05. The transport industry remained the largest customer segment for the Group's Aluminium Alloy Division, accounting for 41.3% of the division's revenue in 9M FY05. Contracts from the power industry contributed 21.0% while revenue from the "Others" segment accounted for the remaining 37.7% of group revenue. Revenue contributions for the "Others" segment in the Aluminium Alloy Division included recent contracts for the supply of aluminium alloy rods for industrial machinery as well as louver panels for the Beijing Airport Terminal 3 Project.

The PE Pipe Division contributed 29.5% of the Group revenue in 9M FY05. For this division, the gas industry was the key contributor, accounting for 77.2% of the division's revenue in 9M FY05.

As a result, the Group's net profit increased by 16.6% to S\$12.4 million in 9M FY05. Net profit margin also improved from 23.1% in 9M FY04 to 25.4% in 9M FY05.

For the three months ended September 30, 2005 (3Q FY05), the Group recorded a revenue of S\$15.6 million, with net profit climbing 16.3% to S\$4.3 million.

Looking Ahead

In 9M FY05, Midas achieved several breakthroughs, securing the contract to supply aluminium alloy profiles for the Electrical Multiple Unit High Speed Train Car Bodies and several MRT projects such as the Shanghai MRT Line 1 Extension 2 Project and the Shanghai Yangpu MRT Line Phase 1 Project in the PRC. As a testimony to the Group's ability to supply the highest quality products to the rail transportation industry, it was also awarded the contract to supply aluminium alloy profiles for the first prototype Magnetic Levitation Train ("MLT") to be manufactured in the PRC.

In addition, the Grade "A" supplier certification awarded by Alstom in January 2005 and the preferred supplier status with Siemens in October this year, is expected to bode well for the group.

Mr Patrick Chew (周华光), Chief Executive Officer of Midas said: "We have leveraged on our competitive advantage in supplying large section aluminium alloy profiles to secure several enviable approved supplier certifications from two of the world's leading train manufacturers.

Our existing plant in Liaoyuan City, Jilin Province is currently operating at close to full capacity. We are in the midst of increasing our production capacity which is expected to be operational by the second quarter of 2006. Besides serving current customers, our expanded production capacity will also enable us to serve new markets. In fact, we recently marked our foray into the shipbuilding industry by securing a maiden contract for aluminium transport beams.”

The Group’s PE Pipes division also recently secured two contracts to supply PE Pipes valued at RMB15.98 million, which are slated for delivery in December 2005. The securing of these two contracts in early November further reaffirms the Group’s ability to supply high quality specialised products that is in demand by PRC provincial utilities.

With the continuous growth in the transportation sector and infrastructure developments in the PRC as well as close relationships with key customers, the Group remains optimistic that it will continue to achieve good performance.

The Group has declared a third interim dividend of 0.25 Singapore cents per share. This works out to a total of 0.75 Singapore cents for the nine months ended September 30, 2005.

Summary of Contracts Secured (as at November 11, 2005)

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
- RMB2.14 million contract to supply aluminium alloy profiles for the first prototype MLT to be manufactured in the PRC
- RMB1.4 million contract to supply aluminium transport beams with Empire Resources Pacific Ltd

- RMB16.9 million contract for the Shanghai MRT Line 1 Extension Project (in collaboration with Siemens)
- RMB13.5 million contract for the Shanghai Yangpu MRT Line Phase 1 (in collaboration with Alstom)

PE Pipes Division

- RMB27.5 million contract to supply PE Pipes for gas and water for projects in the Inner Mongolia region
- RMB15.98 million contracts to supply PE Pipes for gas and water for projects in Shanxi Province and Inner Mongolia

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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