



Midas Holdings Limited

麦达斯控股有限公司

Registration No: 200009758W

NEWS RELEASE

MIDAS' FY2005 NET PROFIT INCREASES 19.7% TO S\$18.3 MILLION

- **New production line to be completed in 2QFY2006**
- **Market leader in supplying aluminium alloy profiles for rail transport industry in China**

Highlights of results FY2005 vs FY2004

- Revenue up 17.0% to S\$70.5 million
- Net profit up 19.7% to S\$18.3 million
- Final dividend of 0.25 cents per share

Singapore, February 24, 2006 - 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 increased 19.7% to S\$18.3 million for the financial year ended December 31, 2005 ("FY2005"). This was achieved on the back of strong revenue growth, which saw the Group's revenue increase 17.0% to S\$70.5 million in FY2005. The strong growth in revenue was driven by higher business volume for the Group's aluminium alloy extrusion products, which recorded a 30.2% year-on-year revenue growth.

"2005 was a fruitful year for our Group. We are now the only supplier in China to be certified by the world's top 3 train manufacturers, namely ALSTOM, Siemens and Changchun Bombardier, thereby positioning us as the leading PRC supplier in aluminium alloy profiles for the rail transport industry. We are very proud to supply our products for China's first 200 km/hr Regional Line High Speed Train and the prototype for the Magnetic Levitation Train projects. The Regional Line is the massive upgrading programme of China's existing rail networks. In 2005, we embarked on the expansion of our Aluminium

Alloy Division, and we expect our second production line for this division to be completed by the second quarter of FY2006. Upon completion, the capacity for our Aluminium Alloy Division will be doubled to 20,000 tons per annum,” said Mr. Patrick Chew (周华光) , Chief Executive Officer of Midas.

The Group’s Aluminium Alloy Division remains the major revenue contributor in FY2005, accounting for 71.0% of Group revenue. Revenue for this division came largely from the supply of aluminium alloy profiles to the rail transport industry, which accounted for about 41.2% of the revenue for this division.

“We have started 2006 on strong footing as we are now the only PRC supplier certified by the world’s three largest train manufacturers. China is expected to spend USD240 billion to upgrade its rail system for the next 10 years. Mega high-speed trains projects are in the pipeline and scheduled to be on time for the 2008 Olympics and the 2010 World Expo. Many cities are also expected to embark on developing new and extension urban rail systems. We believe the recognition that we obtain from the global train manufacturers will put us in a strong position to compete for these projects,” commented Mr. Chew.

For the Group’s PE Pipe Division, the Gas and Water Industries accounted for 96.6% of the division’s revenue.

“As part of our efforts to grow our presence in the international markets, we set up an Agency and Trading Division in November last year to deal with the import, export and wholesale of aluminium alloy, PE pipes, metal materials and other related products. This division will also act as a procurement centre for both our Aluminium Alloy and PE Pipes Divisions,” added Mr. Chew.

To reward its loyal shareholders, the Group has declared a final dividend of 0.25 cents per share, with the total dividend payout for the year amounting to 1 cent per share.

Summary of Contracts Secured in 2005

Aluminium Alloy Division

- RMB103.0 million contract to supply aluminium alloy profiles for Electrical Multiple Unit High Speed Train Project
- RMB28.0 million contract to supply aluminium alloy profiles for Shanghai MRT Line 1 Extension 2 Project
- 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 Project
- 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 for the shipbuilding industry
- RMB16.9 million contract for the Shanghai MRT Line 1 Extension Project
- RMB13.5 million contract for the Shanghai Yangpu MRT Line Phase 1 Project

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.

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

Its 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 Regional Line 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.

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