



NEWS RELEASE

MIDAS' 1QFY06 NET PROFIT GROWS TO S\$4.4 MILLION

- **Full capacity utilization at Aluminium Alloy Division**
 - o **Revenue up 28.5% to S\$21.4 million (including maiden contribution of S\$3.4 million from Agency and Procurement Division)**
 - o **Net Profit up 6.9% to S\$4.4 million**
- **EPS up 7.4% to 0.58 Singapore cents**
- **NAV at 12.27 Singapore cents**
- **Propose interim dividend of 0.25 Singapore cents per share**

Singapore, May 4, 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 the Group recorded a net profit of S\$4.4 million for the first three months ended March 31, 2006 ("1QFY06"), up 6.9% compared to the previous corresponding period.

Revenue increased 28.5% to S\$21.4 million in 1QFY06 compared to S\$16.7 million driven by increased volume at the Group's Aluminium Alloy Division and maiden revenue from the newly set up Agency and Procurement Division. The Transport Industry continued to be the major revenue contributor to the Group's Aluminium Alloy Division, accounting for 45% of its revenue. On the other hand, Gas Industry accounted for 99.2% of the Group's PE Pipe Division revenue.

"We are pleased to see a maiden contribution from our newly set up Agency and Procurement Division which has just started operations in the first quarter of FY2006. Although agency and procurement activities do not command as high a profit margin as our other two divisions, it is important as it opens up additional avenue for revenue

generation and allows us to forge stronger ties with our customers and suppliers,” said Mr Patrick Chew (周华光), CEO of Midas.

“We are confident of our performance moving forward as our second aluminium extrusion production line will become operational at the end of the second quarter. In addition, we have just signed an agreement to establish a joint venture to engage in the development, manufacturing and sale of metro trains, bogies and their related parts. This is a significant development for us as it marks our entry into the manufacture of metro trains and presents a rare opportunity to be directly involved in the high growth rail transport industry in the PRC,” added Mr Chew.

To reward its shareholders, the Group has declared an interim dividend of 0.25 Singapore 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. It is the only PRC certified supplier to the world’s largest train manufacturers, ALSTOM, Siemens and Changchun 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.

In April 2006, the Group has signed an agreement to establish a joint venture company, Nanjing Puzhen Rail Transport Co., Ltd. with four other parties, namely CSR Nanjing Puzhen Rolling Stock Works (中国南车集团南京浦镇车辆厂), Nanjing Metro Co., Ltd (南

京市地铁公司), Nanjing New and High Tech Development Zone General Company (南京高新技术开发区总公司) and Pukou State-owned Capital Operation (Holding) Co., Ltd (南京市浦口区国有资产经营(控股)有限公司) to engage in the development, manufacturing and sale of metro trains, bogies and their related parts.

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