



## NEWS RELEASE

### MIDAS' 1QFY08 NET PROFIT RISES 15.7% TO S\$7.7 MILLION

- Revenue up 25.6% to S\$36.2 million
- Profit before tax grows 37.0% to S\$9.9 million
- Declares first interim dividend of 0.5 Singapore cents per ordinary share

#### Financial Highlights:

	1QFY08 S\$' million	1QFY07 S\$' million	Change %
Revenue	36.2	28.8	+ 25.6
Gross Profit	13.0	10.2	+ 28.1
Profit Before Tax	9.9	7.2	+ 37.0
Net Profit	7.7	6.6	+ 15.7
EPS per share (cents)	0.91	0.79	+ 15.2

Singapore, May 14, 2008 - Midas Holdings Limited ("Midas" or the "Group") (麦达斯控股有限公司) today announced that the Group reported a net profit of S\$7.7 million for the first three months ended March 31, 2008 ("1QFY08"), up 15.7% from S\$6.6 million in the previous corresponding period ("1QFY07").

Revenue increased 25.6% to S\$36.2 million in 1QFY08, up from S\$28.8 million in 1QFY07, driven by higher business volume at the Group's Aluminium Alloy Division.

The Group's Aluminium Alloy Division remains the largest contributor to the Group's growth, accounting for 83.7% or S\$30.3 million of total revenue, representing a 30.1% growth year-on-year. The Transport Industry contributed 61.3% to the

division's revenue, while the Power Industry and Others segment accounted for the remaining 9.5% and 29.2% respectively.

Meanwhile, the PE Pipe Division and Agency and Procurement Division contributed 8.6% and 7.6% to Group revenue respectively.

Overall, gross profit increased 28.1% to S\$13.0 million in 1QFY08. The Group's gross profit margin was 36.0% in 1QFY08 compared to 35.3% in 1QFY07. Due to the increase in raw material prices, gross profit margin for the Aluminium Alloy Division declined from approximately 38.0% in 1QFY07 to 35.0% in 1QFY08. The PE Pipe Division also saw a slight decline in its gross profit margin to 25.0% from 26.0% in 1QFY07 due to increase in raw material costs and competition.

Midas' associated company, Nanjing SR Puzhen Rail Transport Co., Ltd ("NPRT"), contributed S\$0.1 million to Group profit in 1QFY08. The Group has a 32.5% equity stake in the Sino-foreign joint venture to engage in the development, manufacturing and sale of metro trains, bogies and their related parts.

The Group's income tax expense increased 264.3% in 1QFY08 to S\$2.3 million due to higher profits and changes in corporate tax rate in the PRC. Currently profits from the Aluminium Alloy Division's 75MN production line are taxed at 25%, up from 15% in 1QFY07 while profits generated from its new 55 MN production line, which was tax-exempted in 1QFY07, was subjected to an incentive tax rate of 12.5% in 1QFY08.

As a result, net profit attributable to shareholders increased 15.7% to S\$7.7 million in 1QFY08.

As at March 31, 2008, the Group continued to have a strong cash position of S\$57.6 million – an increase of S\$6.0 million from December 31, 2008, and a gearing ratio of 9.7%, putting it in good stead to finance future investments and working capital.

To reward its shareholders, the Company has declared a first interim dividend of 0.5 Singapore cents per ordinary share.

### **Outlook for 2008**

With infrastructural and transportation development as integral parts of the PRC's 11<sup>th</sup> Five-Year Plan, the Group is optimistic about the industry outlook as the PRC Government accelerates investments in public railways and metro networks to support the country's economic growth.

The Group's Aluminium Alloy Division, in particular, is well positioned to continue its strong performance in 2008, given the encouraging start in the first quarter in which it secured a contract to supply 41 train sets for the Shanghai Metro Line 10 Project.

The Group's associate company, NPRT, announced three contracts together with its consortium partners in 1QFY08, namely the Shanghai Metro Line 2 Eastern Extension Project, the Nanjing Metro Line 1 Extension Project, and additional train set orders for the Nanjing Metro Line 2 Phase 1 Project. This brings the total number of contracts secured by NPRT to six, since its inception in January 2007.

"In 2008, we expect contribution from NPRT to grow further, as it continues to secure new contracts and ramp up its utilisation rate. This will benefit our Aluminium Alloy Division, which has a master agreement with NPRT to supply aluminium alloy extrusion profiles for all its projects secured up to 2010," said Mr Patrick Chew (周华光), CEO of Midas.

In December 2007, the Group entered into a framework agreement with Aluminum Corporation of China ("Chinalco"), the largest aluminium producer in the PRC and one of the largest producers of aluminium and alumina in the world.

"We are currently in the midst of discussions with Chinalco on the collaboration, and will update our shareholders," concluded Mr Chew.

## **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 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 ALSTOM Transport SA, Siemens International Trading Ltd, Bombardier Transportation, Changchun Railway Vehicles Co., Ltd, etc. 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 Project, Shanghai MRT Line 1 Extension 2 Project, Shanghai Line 2 Extension 1 Project, Shanghai Yangpu MRT Line Phase 1, Shanghai Metro Line 9 Project, Shanghai Pearl Line Project, Shenzhen MRT Line 1 Extension Project, Guangzhou MRT Line 3, Tianjin MRT, Nanjing Metro Line 1 Project, Nanjing Metro Line 2 Project, the Circle Line project in Singapore, Metro Oslo MRT in Norway, Valero Rus Project in Russia, Desiro Mainline Project in Germany, Helsinki-St. Petersburg Project, Beijing Airport Terminal 3 and the Shenzhen Exhibition Centre.

Midas also has a 32.5% equity stake in a Sino-foreign joint venture, Nanjing SR Puzhen Rail Transport Co., Ltd, to engage in the development, manufacturing and sale of metro trains, bogies and their related parts.

In September 2007, Midas was named “2007 China’s Top Brand” by the General Administration of Quality Supervision, Inspection and Quarantine of the People’s Republic of China (“AQSIQ”) (国家质量监督检验检疫总局).

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