



Midas Holdings Limited

麦达斯控股有限公司

Registration No: 200009758W

NEWS RELEASE

MIDAS CONTINUES GROWTH TRACK, RECORDS STRONG SET OF INTERIM NUMBERS

- 1HFY07 Net Profit increases 54% to S\$13.7 million
- Revenue up 31% to S\$59.5 million
- Positive contribution from associate company, Nanjing SR Puzhen
- Declares interim dividend of 0.5 Singapore cents per ordinary share

1HFY07 Financial Highlights :

	1HFY07 S\$' million	1HFY06 S\$' million	Change %
Revenue	59.5	45.2	+ 31
Gross Profit	20.7	13.9	+ 49
Net Profit	13.7	8.9	+ 54

2QFY07 Financial Highlights:

	2QFY07 S\$' million	2QFY06 S\$' million	Change %
Revenue	30.6	23.8	+29
Gross Profit	10.5	7.0	+50
Net Profit	7.1	4.5	+58
EPS (cents)	0.84	0.56	+50

Singapore, August 7, 2007 - 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 it has recorded a strong performance for the six months ended June 30, 2007 (“1HFY07”), with net profit jumping 54% to S\$13.7 million on the back of a 31% increase in Group’s revenue to S\$59.5 million.

Commenting on the Group’s strong performance, Mr Patrick Chew, (周华光) CEO of Midas said, “Our business growth continues to be driven by higher business volume at our Aluminium Alloy Division. We are also pleased to record the maiden profit contribution from our associate company, Nanjing SR Puzhen Rail Transport Co which started commercial operations in January 2007.”

The Group’s Aluminium Alloy Division continued to be the key contributor, contributing S\$24.9 million or 81% to the Group’s total revenue for the second quarter (“2QFY07”). The Group’s PE Pipe Division and Agency and Procurement Division contributed the balance 12% and 7% respectively.

The Transport industry remained the major revenue contributor in the Aluminium Alloy division, contributing 54% of revenue in 1HFY07.

Overall, the Group’s gross profit margins in 2QFY07 improved to 34% compared to 30% in 2QFY06. This was mainly due to the higher gross profit margin from our Aluminium Alloy Division which formed a higher proportion of turnover in 2QFY07 compared to the previous corresponding period. Gross profit margin for the PE Pipe Division saw a decline but was offset by higher gross margins from sales in the Group’s Agency and Procurement Division.

In 2QFY07, the Group’s associated company, Nanjing SR Puzhen Rail Transport Co., Ltd (“Puzhen”) contributed a profit of S\$0.6 million, reversing a loss of S\$0.3 million in 1QFY07. Puzhen, which started operations in January 2007, together with its consortium partners secured a contract to supply 24 train sets (total 144 train cars) for the Nanjing Metro Line 2 Phase 1 Project in April 2007.

Income tax expense for 2QFY07, increased marginally by S\$0.1 million due to higher profits, but at a lower tax rate than the increase in profits as the Group's Aluminium Alloy Division was granted full tax exemptions for profits generated from the new 55 MN production line for two years and thereafter at a tax rate of 15% for the next three profit years from FY2006.

Outlook for 2007

Moving forward, the Group is well positioned to continue its strong performance given the growth of the PRC transport industry. Significantly, the Group has been appointed the sole supplier for several metro train projects including the Shanghai Metro Line 2 Extension 1 Project, the Shanghai Metro Line 9 Project and the Shenzhen MRT Line 1 Extension Project. In addition, it is the sole supplier for the local content portion for two high profile high speed train projects in the PRC; the Regional Line Phase 1 Project and the Beijing to Tianjin High Speed Train Project.

The Group's has strengthened its international market position in supplying aluminium alloy profiles for the train car bodies with the contracts from Siemens to supply aluminium alloy profiles for its export projects in Germany for the Desiro Mainline Project and Russia for the Valero Rus Project.

Commenting on the growth prospects for Puzhen, Mr Chew added, "We are confident about the growth potential for Puzhen as many PRC cities are embarking on the construction of metro train systems or expanding existing metro train systems. We see a bright future for this metro train manufacturing business and expect to secure more contracts in the near future. "

The Group's proposed 30% investment in China Northeast Light Alloy Co., Ltd, is still pending approvals from the relevant PRC authorities.

"Our excellent reputation, high level of integrity and quality of our products have enabled us to earn the trust of the top train makers in the world. We will work hard to seize growth opportunities in both the local and international market." Mr Chew concluded.

To reward its shareholders, the Group has proposed a second interim one-tier tax-exempt dividend of 0.5 Singapore cents per ordinary share for 2QFY07.

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 MRT, 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 Transport Co., Ltd, to engage in the development, manufacturing and sale of metro trains, bogies and their related parts.

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