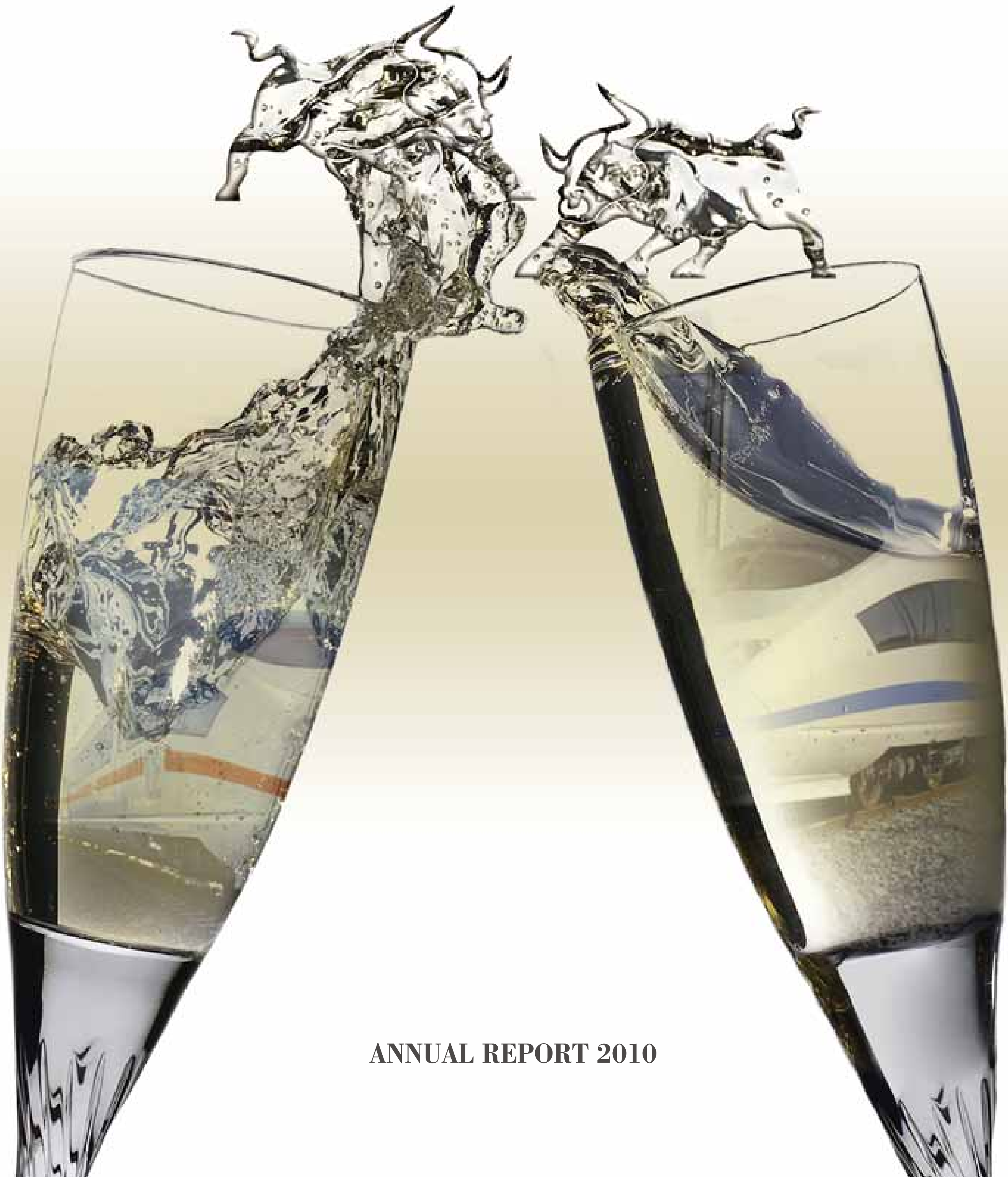
Midas Holdings Limited
(incorporated in Singapore with limited liability)
(Hong Kong Stock Code: 1021)
(Singapore Stock Code: 5EN)

SYNERGY FOR FUTURE



ANNUAL REPORT 2010

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CORPORATE STRUCTURE

CORPORATE OFFICE

Chen Wei Ping, *Executive Chairman*
Chew Hwa Kwang, Patrick, *Chief Executive Officer*
Wang Jiaxin, *Deputy Chief Executive Officer*
Tan Kai Teck, *Chief Financial Officer*
Yang Xiao Guang, *General Manager (Business Development)*

Jilin Midas Aluminium Industries Co., Ltd
Wang Jiaxin, *General Manager*

Shanxi Wanshida Engineering Plastics Co., Ltd
Ma Mingzhang, *General Manager*

| CORPORATE PROFILE |

Incorporated on 17 November 2000 as an investment holding company, listed on 23 February 2004 on Singapore Exchange Securities Trading Limited ("SGX-ST") and on 6 October 2010 on The Stock Exchange of Hong Kong Limited ("SEHK"), Midas Holdings Limited has grown over the years to gain recognition as a leading manufacturer of aluminium alloy extrusion products for the rail transportation sector in the People's Republic of China ("PRC").

Under the Midas Group are two business divisions, namely:

(a) the Aluminium Alloy Division, and

(b) the PE Pipes Division

These two divisions are strategically located in the PRC to take on the opportunities as well as to capitalise on the potential benefits of the vast developments that are taking place in the infrastructure and rail transport sectors.

Our customer base consists of all of the major domestic train manufacturers such as CNR Changchun Railway Vehicles Co., Ltd, CNR Tangshan Railway Vehicles Co., Ltd, Nanjing SR Puzhen Rail Transport Co., Ltd, CSR Zhuzhou Electric Locomotive Co., Ltd., Bombardier Sifang (Qingdao) Transportation Ltd, and the top three global train manufacturers, namely, Alstom, Siemens and Bombardier.

Besides our core business, we have a 32.5% stake in a licensed metro train manufacturing company in the PRC, Nanjing SR Puzhen Rail Transport Co., Ltd.

We are one of only six companies, and the only aluminium alloy extrusion products manufacturer, in Asia to be included in the Forbes Asia's "Best Under A Billion" list for four consecutive years from 2006 to 2009, in recognition of our consistent growth and profitability.

More recently, on 10 May 2010, we were awarded the Singapore Corporate Awards "Best Investor Relations Award (Gold)" for 2010 in the "S$300 million to less than S$1 billion market capitalisation" category. This is one of only five awards that make up the Singapore Corporate Awards, which was launched in 2006 and is organised by The Business Times and supported by the SGX-ST. This award is a testament of our continuous efforts in adhering to investor relations best practice.

Aluminium Alloy Division

Our Aluminium Alloy Division, Jilin Midas Aluminium Industries Co., Ltd ("Jilin Midas"), is a leading manufacturer of aluminium alloy extrusion products for the passenger rail transportation sector in the PRC. Our Aluminium Alloy Division is our principal business division and accounted for 96.3% of our total revenue for the financial year ended 31 December 2010. We are also one of the first and amongst the few in the aluminium alloy extrusion industry in the PRC to possess capabilities for the downstream fabrication of passenger train car body components. We have an established track record of supplying aluminium alloy extrusion products to more than 30 metro and high speed train projects in the PRC since 2003, representing a majority of the aluminium metro and high speed train projects in the PRC during this period.

In December 2009, our Aluminium Alloy Division was awarded the prestigious EN 15085-2 certification for the welding of railway vehicles and components issued by GSI SLV Duisburg, one of the largest welding engineering institutes in Europe. The EN 15085-2 welding quality assurance certification is recognised internationally, including our major customers in the PRC, and is a testimony of our capabilities to meet international quality assurance standards for welding works in the new build, conversion and repair of railway vehicles and their components. This certification enhances our ability to provide a complete suite of downstream fabrication services and strengthens our competitive edge in the market.

Also in 2009, our Aluminium Alloy Division was awarded the prestigious International Railway Industry Standard (IRIS) certification. Jilin Midas is the first company in the PRC to receive the IRIS certification under the category of "Manufacturing and Services of Aluminium Alloy Car Body Profile and Parts for Rail Cars". Promoted by the European Rail Industry (UNIFE) and supported by operators, system integrators and equipment manufacturers, the IRIS certification complements the internationally recognised ISO 9001 quality standard introducing rail specific requirements.

Chosen based on an assessment of its performance in innovation, quality, financial health and organisation, our Aluminium Alloy Division is the first supplier in China to be included in Alstom's "Leading Partners 150"

| CORPORATE PROFILE |

("LP150") programme in 2008. Under the terms of the agreement, our Aluminium Alloy Division is a preferred supplier for all Alstom's new and re-sourcing projects globally. Our Aluminium Alloy Division will also receive resources and technology support from Alstom to develop key new products and improve industrial quality standards.

Our Aluminium Alloy Division is accredited with the Quality Focus Global Sourcing Grade "A" international certification by ALSTOM Transport SA ("Alstom"), in accordance to Alstom Transport Standard. As a testimony to our capability to manufacture large-section aluminium alloy extrusion products, this certification enables us to be the global sourcing partner of all Alstom's units.

In addition, our Aluminium Alloy Division has entered into a Master Agreement with Siemens Aktiengesellschaft, Berlin and Munich, Transportation Systems Group ("Siemens"). Under this agreement, Siemens will engage our Aluminium Alloy Division as a long term high technology supplier of aluminium alloy extrusion products in the context of long term partnership-based cooperation on a global basis.

In recognition of our ability to supply the highest quality aluminium extrusion products, our Aluminium Alloy Division was certified as an approved supplier to Changchun Bombardier Railway Vehicles Co., Ltd ("CBRC") in January 2006. CBRC is a joint venture between Bombardier Transportation, the world leader in rail cars manufacturing, and China's leading train manufacturer, CNR Changchun Railway Vehicles Co., Ltd.

We are a PRC certified supplier for the world's three renowned train manufacturers, which is a testimony and endorsement of the quality of our aluminium alloy extrusion products. This recognition given by Alstom, Siemens and CBRC has provided us the platform to expand and grow our business both in the PRC and the international markets.

In addition, our Aluminium Alloy Division was conferred the prestigious "Well-Known Trademark" ("馳名商標") by the Trademark Office of the State Administration for Industry & Commerce of the PRC ("中國國家工商行政管理總局商標局") ("SAIC") in 2010 that grants special protection to its trademark and also named "2007 China's Top Brand" by the General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China ("AQSIQ") (國家質量監督檢驗疫總局), in recognition of our product quality and strong brand position.

Our Aluminium Alloy Division currently has five production lines, with annual production capacity of up to 50,000 tonnes and three downstream fabrication lines that are able to process train car body components for approximately 1,000 train cars. Our large section aluminium alloy products are used in a variety of industries. They are utilised in the rail transportation industry to manufacture body frames of high-speed trains and MRT/LRT trains. In addition, our aluminium alloy products are also used in power stations for power transmission purposes, electrical energy distribution, transmission cables as well as production of mechanical parts for industrial equipment.

In order to meet the increasing demand from our PRC passenger rail transportation customers, we are planning to set up a new production plant in the PRC outside of our current production base in Liaoyuan City, Jilin Province. This is in line with our strategy to expand our aluminium extrusion capacity in a new geographic location beyond northeastern PRC to be in closer proximity to our customers.

CORPORATE PROFILE

Since 2004, we have successfully exported/secured contracts for our large section aluminium alloy profiles to manufacture body frames for the Singapore Downtown Line Project, Singapore Circle Line Project, the Metro Oslo MRT Project in Norway, the Valero Rus Project for the Russian market, the Desiro Mainline Project for the European and ex-European markets, the Helsinki — St. Petersburg High Speed Train Project, the Incheon International Airport Railroad Project in South Korea and RS-Citadis Project for the European market, Saudi Arabia Metro Project and Iran Metro Project for the Middle East market, SBB Double Deck Train Project in Switzerland, Malaysia Intercity Urban Rail Project and Izmir Light Rail Transit Project in Turkey.

We are involved in many high profile rail transport projects in the PRC since FY2003. Some of these metro projects include:

- Shanghai MRT Line 1 Extension Project
- Shanghai MRT Line 1 Extension 2 Project
- Shanghai MRT Line 2 Extension 1 Project
- Shanghai Metro Line 6 Project
- Shanghai Metro Line 7 Project
- Shanghai Metro Line 8 Project
- Shanghai Metro Line 9 Project
- Shanghai Metro Line 10 Project
- Shanghai Metro Line 11 Project
- Shanghai Yangpu MRT Line Phase 1 Project
- Shanghai Pearl Line Project
- Shenzhen MRT Line 1 Extension Project
- Shenzhen MRT Line 4 Project
- Nanjing Metro Line 1 Project
- Nanjing Metro Line 2 Project
- Guangzhou MRT Line 2 Project
- Guangzhou MRT Line 3 Project
- Guangzhou MRT Line 8 Project
- Guangzhou Line 3 Airport Line Project
- Tianjin MRT Project
- Changchun City Light Rail Project
- Hangzhou Metro Line 1 Project

We are currently the market leader in supplying large section aluminium alloy profiles for the railway industry in the PRC. Significantly, we were appointed the supplier for some major high speed train projects in the PRC, namely:

- Beijing to Tianjin High Speed Train Project
- Regional Line EMU Phase 1 Project
- CRH3-380 Project
- CRH3-300 Project
- CRH5 EMU Project
- CRH1 EMU Project
- Pearl River Delta Inter-City Train Project (Dongguan – Shenzhen Section)
- Dongguan – Huizhou Inter-City Train Project

The recognition for our manufacturing capability of aluminium alloy extrusion products positions us for greater growth in the PRC market. Moving forward, we aim to expand our presence internationally by capitalising on opportunities emanating from the overseas market.

PE Pipes Division

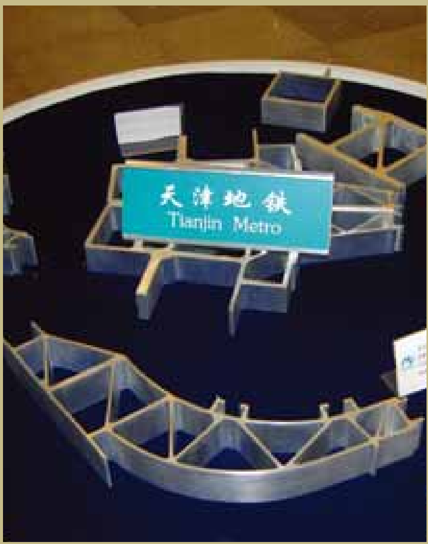
Our PE Pipes Division manufactures PE pipes for use in various types of piping networks, including gas piping networks and water distribution networks.

Made of high density polyethylene, PE pipes are relatively light-weight and chemically inert. Considered as viable substitutes for traditional concrete and metal pipes, PE pipes are easier and safer to install, more durable and flexible. A proponent that is non-toxic in nature, our PE pipes are cost efficient and possess high resistance to corrosion.

Broadly categorised into two types of PE pipes, namely the Gas PE Pipes and the Water PE Pipes which are manufactured through the extrusion process, we manufacture the various parts required in a piping network, including pipes, joints and fittings.

Our PE Pipes Division accounted for 3.7% of our total revenue for the year ended 31 December 2010. As we consider our PE Pipes Division

CORPORATE PROFILE



to be a non-core business, representing a relatively small portion of our Group's revenue, we currently do not have plans to further expand our PE Pipes business.

Joint Venture

We have a 32.5% equity stake in a Sino-foreign joint venture, Nanjing SR Puzhen Rail Transport Co., Ltd. ("NPRT"), which started commercial production in FY2007. Through NPRT, we are able to further entrench our position in the PRC railway industry as NPRT is one of the four rolling stock companies in the PRC licensed to manufacture and sell metro trains on a nationwide basis. Many PRC cities have plans to build metro lines to facilitate urban transportation; we believe that NPRT will be a direct beneficiary of the high growth metro train industry in the PRC given the limited number of players in the market.

Since inception, NPRT, together with its consortium partners, has secured several high profile metro train projects in the PRC, namely:

- Nanjing Metro Line 2 Project,
- Shanghai Metro Line 10 Project,
- Nanjing Metro Line 1 Extension Project,
- Shanghai Metro Line 2 Eastern Extension Project,
- Shenzhen Metro Line 4 Phase 2 Project,
- Hangzhou Metro Line 1 Project,
- Pearl River Delta Inter-City Train Project (Dongguan-Shenzhen Section),
- Dongguan-Huizhou Inter-City Train Project, and
- Shanghai Metro Line 13 Project.

Moving Forward

Moving forward, we are committed to springboard towards greater expansion, growth value creation, as well as strengthen our key competencies.

CORPORATE INFORMATION

BOARD OF DIRECTORS
Mr. Chen Wei Ping, *Executive Chairman*
Mr. Chew Hwa Kwang, Patrick, *Chief Executive Officer*
Mr. Chan Soo Sen, *Independent Non-executive Director*
Mr. Chew Chin Hua, *Independent Non-executive Director*
Dr. Xu Wei Dong, *Independent Non-executive Director*

AUDIT COMMITTEE
Mr. Chew Chin Hua, *Chairman*
Mr. Chan Soo Sen
Dr. Xu Wei Dong

NOMINATING COMMITTEE
Mr. Chan Soo Sen, *Chairman*
Mr. Chew Chin Hua
Dr. Xu Wei Dong

REMUNERATION COMMITTEE
Mr. Chan Soo Sen, *Chairman*
Mr. Chew Chin Hua
Dr. Xu Wei Dong

JOINT COMPANY SECRETARY
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@ Nur Farah Tan, ACIS
Hong Kong: Ms. Ma Sau Kuen Gloria

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SYNERGY for growth

We have more than doubled our production capacity of 20,000 tonnes in FY2009 to 50,000 tonnes per annum.
This expansion in capacity will allow us to better cater to market demand and expected increase in customers' orders.

MESSAGE FROM THE EXECUTIVE CHAIRMAN

"FY2010 will long be remembered as the year that marked several milestones and developments for Midas. These include: our successful secondary listing on the Main Board of the Stock Exchange of Hong Kong Limited; winning the Best Investor Relations (Gold) Award at the Singapore Corporate Awards 2010; achieving a set of record financial results as well as the more than doubling of our extrusion production capacity and capabilities in downstream fabrication."

Dear Shareholders,

FY2010 has been an exciting journey for Midas Holdings. We are delighted to have you on board with us, and it is with great pleasure that we present to you our annual report for the year.

FY2010 will long be remembered as the year that marked several milestones and developments for Midas. These include: our successful secondary listing on the Main Board of the Stock Exchange of Hong Kong Limited; winning the Best Investor Relations (Gold) Award at the Singapore Corporate Awards 2010; achieving a set of record financial results as well as the more than doubling of our extrusion production capacity and capabilities in downstream fabrication.

With the continued support from our customers, Midas posted an outstanding financial report card for FY2010. The Group registered record full-year revenue and profit of S$207.4 million and S$48.5 million respectively. Profit contribution from our associate company Nanjing SR Puzhen Rail Transport Co., Ltd (南京南車浦鎮城軌車輛有限責任公司) ("NPRT") also grew significantly from S$3.3 million in the previous year to S$9.3 million.

During the year under review, our Aluminium Alloy Division, Jillin Midas Aluminium Industries Co., Ltd (吉林麥達斯鋁業有限公司) ("Jilin Midas"), continued to secure contracts to supply aluminium alloy extrusion profiles for high-speed and metro train projects in the PRC. We further broke new ground as we expanded our footprint internationally, particularly with our largest international contract to-date from Bombardier Transportation to supply extrusion profiles for the SBB Double Deck Train Project in Switzerland.

MESSAGE FROM THE EXECUTIVE CHAIRMAN

Our downstream fabrication capabilities also gained growing recognition as we secured a growing number of contracts which included complementary downstream fabrication services in addition to our extrusion profile products. In particular, we were excited by our proposed collaboration with Bombardier Sifang (Qingdao) Transportation Ltd. (青島四方龐巴迪鐵路運輸設備有限公司) ("BST"). We signed a Letter of Intent with BST in July 2010 for the provision of downstream fabrication services for the prestigious CRH1- 380 high-speed train project in the PRC, and are currently in the midst of discussions to finalise the details.

In recognition of the strong brand awareness and high reputation of the 'Midas' name in the PRC, Jilin Midas was conferred the prestigious "China Well-Known Trademark" ("中國馳名商標") by the Trademark Office of the State Administration for Industry & Commerce of the PRC ("中國國家工商行政管理總局商標局") ("SAIC"). This award is a testimony to the Group's standing in the aluminium alloy extrusion industry in the PRC and internationally.

In 2010, the Group added three extrusion lines and two fabrication lines for the Aluminium Alloy Division. This boosted our annual extrusion production capacity to 50,000 tonnes, and we are now able to process car body components for 1,000 train car bodies per annum. In 2011, we will focus on ramping up utilisation of our new production lines in order to enhance our competencies to take on more orders.

To bring the Group to our next phase of growth, we are exploring opportunities to establish a second production plant in Henan Province for our Aluminium Alloy Division. Central China provides huge market opportunities for our products in upcoming metro, inter-city and large-scale high speed train projects. We therefore believe that our increased operations in central China will serve to enhance our market presence in the PRC rail transportation sector and further tap the business opportunities in the region.

Looking ahead, the Group will remain steadfast in our pursuit of business growth. The demand for new and upgraded railway and metro lines in the PRC is expected to remain strong, driven by rapid urbanisation and economic growth. Internationally, the trend of developing and upgrading domestic railway and metro networks, as well as constructing cross-border railway lines, will also continue to generate demand for train cars.

In closing, I would like to express my sincere appreciation to all our shareholders, business partners, customers and colleagues who have enabled us to continue with our good progress. To this special group, a big "thank you".

On behalf of the Board of Directors, I would like to express our heartfelt appreciation to Mr. Raymond Tong Wei Min, who stepped down as Non-Executive Director in November 2010, for his contributions to the Group.

With effect from February 2010, the Board of Directors have also appointed Mr. Wang Jiaxin, also General Manager of Jilin Midas, to the position of Deputy Chief Executive Officer of the Group. With his wealth of industry experience, we believe that Mr. Wang will continue to assist Chief Executive Officer Mr. Patrick Chew to bring Midas to greater heights.

I am confident that with all of us working together, our future can only get better and better.

Chen Wei Ping
Executive Chairman

| MESSAGE FROM THE CHIEF EXECUTIVE OFFICER |

"The Group posted record revenue and net profit of S$207.4 million and S$48.5 million respectively in FY2010. This represented growth rates of 38.3% and 29.2% when compared to the previous financial year ("FY2009")."

Dear Shareholders,

I am pleased to report yet another record year for Midas in FY2010.

On the corporate front, we completed a successful Global Offering of new shares and the secondary listing on The Stock Exchange of Hong Kong Limited ("SEHK"), which broadened our shareholder base and raised our corporate profile in the PRC and in Hong Kong.

Operations-wise, we are pleased to post a set of record financials in FY2010. This was achieved on the back of the robust demand for high-speed and metro train cars both in the PRC as well as internationally. The Group also expanded our production capacity to meet customer orders and in anticipation of market demand.

FINANCIAL REVIEW

The Group posted record revenue and net profit of S$207.4 million and S$48.5 million respectively in FY2010. This represented growth rates of 38.3% and 29.2% when compared to the previous financial year ("FY2009").

Our Aluminium Alloy Division, Jilin Midas, accounted for 96.3% or S$199.7 million of total revenue during the year, with its revenue contribution increasing 39.6% from S$143.0 million in FY2009. In terms of end usage within the division, percentage contribution from the Rail Transport Industry rose from 64.8% in FY2009 to 80.3% in FY2010, backed by strong orders to supply aluminium alloy extrusion profiles for train cars.

Due to rising raw material costs, gross profit margin of our Aluminium Alloy Division, fell from 38.4% in FY2009 to 34.1%. Hence, our overall gross profit margin declined from 37.7% in FY2009 to 33.5% in FY2010.

Selling and distribution expenses increased 25.0% to S$5.9 million in FY2010, driven by the higher business volume recorded at our Aluminium Alloy Division, which resulted in higher transport costs, consumable items and staff costs.

Administrative expenses was up 24.8% to S$12.2 million mainly due to higher payroll costs arising from an increase in headcount to cater to our expansion plans, salary revisions and an increase in depreciation, amortisation and property taxes.

On the other hand, our associate company, NPRT, continued to report strong growth in FY2010, driven mainly by an increase in delivery of train cars to its customers. Its profit contribution to the Group soared from S$3.3 million in FY2009 to S$9.3 million in FY2010.

As a result, FY2010 ended with the Group registering a 29.2% jump in profit attributable to equity holders from S$37.5 million in FY2009 to S$48.5 million.

In connection with our secondary listing on the Main Board of the SEHK in October 2010, we raised gross proceeds of approximately HK$1.4 billion from the Global Offering of 220,000,000 new shares and Over-Allotment of 33,000,000 new shares. The additional funds received boosted the Group's cash and cash equivalents from S$101.2 million as at 31 December 2009 to S$244.7 million as at 31 December 2010.

EXPANDING OUR FOOTPRINT

Our quality products and services, in particular our aluminium alloy extrusion profiles for high-speed and metro train cars, have won the support from our customers over the years. Since FY2009, we started to provide downstream fabrication services to our customers, whereby we process train car body components in accordance with their specifications. We also signed a Letter of Intent in July 2010 with our repeat customer BST to supply downstream fabrication services for the CRH1-380 high-speed train project. As more contracts now include the provision of fabrication parts, we believe that we have earned the trust and confidence from our customers in our downstream capabilities.

In FY2010, we won several contracts for notable projects including:

The PRC

- High-speed train projects
  - CRH1 EMU Project
  - CRH5 EMU Project
  - Pearl River Delta Inter-City Train Project (Dongguan – Shenzhen Section)
  - Dongguan – Huizhou Inter-City Train Project
- Metro train projects
  - Shenzhen Line 4 Project
  - Hangzhou Metro Line 1 Project

International

- Metro train projects
  - Singapore Downtown Line Project
  - Switzerland SBB Double Deck Train Project

In the current financial year ("FY2011") to date, we clinched another contract to supply aluminium alloy extrusion profiles for the CRH5 EMU Project. More significantly, we made our first foray into new geographical markets with contracts for the Malaysia Intercity Urban Rail Project and the Turkey Izmir Light Rail Transit Project.

Recent media reports have highlighted the growing trend for governments to develop domestic and cross-border railway lines. In view of the positive outlook for the international rail transportation market, we will capitalise on our established track record and stringent quality standards to capture a share of the growing market.

ENHANCING OUR COMPETENCIES

To enhance our competencies and strengthen our capabilities, the Group added three new aluminium alloy extrusion production lines in FY2010, which progressively came on stream during the year. Currently, our total annual extrusion capacity is 50,000 tonnes, up from 20,000 tonnes in FY2009.

Our long-term strategy is to become an integrated manufacturer and one-stop service supplier in the aluminium alloy extrusion sector catering to the passenger rail transportation industry. In line with this strategy, we increased our fabrication capacity with the addition of two fabrication lines in FY2010, thereby allowing us to process car body components for 1,000 train cars annually, compared to 300 train cars as at end 2009.

The Group believes that proximity is key to effective service to our customers. To be closer to our customers who are based in central and southern China, the Group plans to establish a second production plant for the Aluminium Alloy Division in Henan Province, the PRC. This will allow us to better cater to the industry demand arising from the development and upgrading of railways, particularly in Central China.

In addition, we will be able to tap on the well-developed transportation network in Henan Province to reduce transportation costs and time taken in the delivery of products to our customers. This will, in turn, translate into greater operating efficiencies.

Railway development is integral to the PRC government's plan to drive economic growth across the country. The government has made significant capital commitments to expand its railway network, with high levels of construction already underway. The continued rapid urbanisation and economic growth across the PRC have continued to generate demand for new and upgraded railway and metro lines.

HEIGHTENED CORPORATE PROFILE

Winning the Best Investor Relations (Gold) Award (for companies with S$300 million to less than S$1 billion in market capitalisation) at the Singapore Corporate Awards 2010 was a major highlight for the Group in 2010. We will continue to maintain high corporate governance standards and best practices in our disclosure and communications with all our stakeholders.

Our dual-listed status on both the SGX-ST and SEHK has reaped rewards for the Group. We have since received wider analyst coverage and greater investor interest. We are optimistic that the resultant higher market visibility will bode well for the Group.

Most recently, Jilin Midas was presented the "China Well-Known Trademark" by the Trademark Office of the State Administration for Industry & Commerce of the PRC（"中國國家工商行政管理總局商標局"）("SAIC"). With this conferment in recognition of the strong brand awareness and reputation, Jilin Midas, and its trademark, now enjoys higher standing in the PRC and global aluminium alloy extrusion industry.

EXPRESSING OUR THANKS

We would like to extend our appreciation to all our shareholders who have accompanied us at every step of our growth. As a gesture of thanks, we have proposed a final dividend of 0.5 Singapore cent per ordinary share. This works out to a total dividend payout amounting to 1.0 Singapore cent per ordinary share for FY2010.

To our distinguished customers and business partners, thank you for your support. Finally, I would also like to thank the Board of Directors and all staff for your contributions to the progress of the Group.

With our strong fundamentals and commitment to growth, Midas is set to advance strongly in the road ahead.

Chew Hwa Kwang, Patrick
Chief Executive Officer

| BOARD OF DIRECTORS |

Board of Directors

1. Mr. Chen Wei Ping,

aged 50, was appointed as our Director on 21 August 2002 and has been Executive Chairman of our Company since March 2003. Mr. Chen is instrumental in developing and steering our Group's corporate directions and strategies. Mr. Chen is responsible for the effective management of business relations with our strategic partners. In addition, Mr. Chen spearheaded the listing of our Company's shares on the SGX-ST on 23 February 2004 and on the SEHK on 6 October 2010. Mr. Chen has more than twenty years of management experience and holds a Bachelor Degree in Economics from Jilin Finance & Trade College (PRC) as well as a Master Degree in Economics from Jilin University (PRC).

2. Mr. Chew Hwa Kwang, Patrick,

aged 48, is a founding member of our Group and is our Chief Executive Officer who is responsible for the overall operations and finance of our Group and its financial well-being. Mr. Chew is responsible for identifying future business opportunities and services which our Group may provide to drive future growth. Mr. Chew is also in charge of overseeing the day-to-day management of our Group as well as our Group's strategic and business development. Mr. Chew has served as our Executive Director since November 2000 and played a major role in the listing of our Company's shares on the SGX-ST on 23 February 2004 and on the SEHK on 6 October 2010. Mr. Chew has more than twenty years of management experience.

3. Mr. Chan Soo Sen,

aged 54, was appointed as an Independent Non-Executive Director on 29 June 2006. Mr. Chan is currently Executive Vice President of Singbridge International Singapore Pte Ltd, and Member of Parliament for Joo Chiat Constituency. Mr. Chan was a Minister of State and had served in several ministries including the Ministry of Education, Ministry of Trade and Industry and Ministry of Community Development, Youth and Sports. Before entering the political scene, Mr. Chan started up the China-Singapore Suzhou Industrial Park as the founding CEO in 1994, laying the foundation and framework for infrastructure and utilities development. Mr. Chan holds a Master of Management Science from the University of Stanford, United States of America and is a director of a few listed companies in Singapore.

Mr. Chen Wei Ping

Mr. Chew Hwa Kwang, Patrick

Mr. Chan Soo Sen

| BOARD OF DIRECTORS |

4. Mr. Chew Chin Hua,

aged 56, was appointed as an Independent Non-Executive Director of our Company on 6 January 2004. Mr. Chew is a member of the Association of Chartered Certified Accountants and the Institute of Certified Public Accountants in Singapore and has many years of experience in the accounting and auditing profession. Mr. Chew is also a director of another listed company in Singapore.

5. Dr. Xu Wei Dong,

aged 51, was appointed as an Independent Non-Executive Director on 17 March 2010. Dr. Xu is currently a professor and a PhD supervisor of the School of Law, Jilin University (PRC). Dr. Xu graduated from the School of Law (formerly known as the Law Department), Jilin University (PRC) with a Bachelor Degree in 1982. He obtained a Master Degree in law in 1989 and a Doctoral Degree in economics in 2002, both from Jilin University (PRC). Between June 2000 and December 2004, Dr. Xu served as the Deputy Dean of the School of Law, Jilin University. He was promoted to become the Dean of the School of Law, Jilin University in December 2004 and held such position till December 2008. Dr. Xu concurrently holds senior positions in various law related institutions and organisations. Dr. Xu is the deputy chairman of Commercial Law Research Department of the China Law Society, executive director and secretary general of the Legal Education Research Department of the China Law Society, deputy chairman of the Jilin Province Law Society, executive director of Jilin Province's Intellectual Property Right Research Commission, an arbitrator with China International Economic and Trade Arbitration Commission, and a lawyer with the Changchun Branch of Dacheng Law Office. Dr. Xu is also a member and secretary general of the Legal Teaching Guidance Committee of the PRC Education Department; a member of the National Legal Profession Examination Coordination Committee; a member of the Advisory Committee of the Jilin Municipal Government; and a member of the Legislation Advisory Committee of the Heilongjiang Municipal Government. Dr. Xu is currently an independent non-executive director of a company listed on the Shanghai Stock Exchange and a company listed on the Shenzhen Stock Exchange.

Mr. Chew Chin Hua

Dr. Xu Wei Dong

Executive Officers

Mr. Wang Jiaxin,

aged 55, is the Deputy Chief Executive Officer of the Group and the General Manager of Jilin Midas Aluminium Industries Co., Ltd. Mr. Wang assists the Chief Executive Officer in the overall management of our subsidiaries in China and is responsible for the business operations of our Aluminium Alloy Division. Mr. Wang holds a Bachelor Degree in Mechanical Engineering from Jilin University (PRC). Mr. Wang joined our Group in January 2002.

Mr. Tan Kai Teck,

aged 41, is our Chief Financial Officer responsible for our financial management and the reporting functions of our Group. Mr. Tan holds a Bachelor Degree in Accountancy (Second Upper Class Honours) from the Nanyang Technological University and is a Fellow Member of the Institute of Certified Public Accountants of Singapore (FCPA Singapore). Mr. Tan joined our Group in March 2003.

Mr. Yang Xiao Guang,

aged 51, is our General Manager (Business Development) responsible for the execution and implementation of the development and business strategies of our Group. Mr. Yang is also involved in new business development and new venture management. Mr. Yang holds a Bachelor Degree in Economics from Jilin Finance & Trade College (PRC) and a Master Degree in the Science of Law from Jilin University (PRC). Mr. Yang joined our Group in June 2002.

Mr. Ma Mingzhang,

aged 58, is the General Manager of Shanxi Wanshida Engineering Plastics Co., Ltd. Mr. Ma is responsible for the overall business operations of our PE Pipes Division. Mr. Ma holds a Bachelor Degree in Industrial Automation Instrument from Harbin Industry University (PRC) and a Master Degree in Science and Engineering from Chengdu Science and Technology University (PRC). Mr. Ma joined our Group in August 2001.

Set up a bridge for COMMUNICATION

FINANCIAL HIGHLIGHTS

	2010 S$'000	2009* S$'000	2008* S$'000	2007* S$'000	2006 S$'000
Revenue	207,413	149,993	138,139	119,875	104,764
Gross profit	69,474	56,595	47,178	44,235	34,241
Profit before income tax	59,753	46,481	37,835	35,053	27,723
Profit attributable to equity holders	48,508	37,541	32,677	31,914	25,567
Shareholders' funds	557,911	320,834	209,802	181,574	162,894
Non current assets	348,790	260,789	148,888	109,391	101,577
Current assets	381,842	173,863	115,544	111,280	103,241
Current liabilities	113,724	96,757	47,884	39,097	38,978
Non current liabilities	58,997	17,061	6,746	—	2,946

For the Year (S$'000)	**2010**	**2009**	**Change (%)**
Revenue*	207,413	149,993	38.3
Gross profit*	69,474	56,595	22.8
Profit before income tax*	59,753	46,481	28.6
Profit attributable to equity holders	48,508	37,541	29.2
At Year End (S$'000)			
Shareholders' funds	557,911	320,834	73.9
Non current assets	348,790	260,789	33.7
Current assets	381,842	173,863	119.6
Current liabilities	113,724	96,757	17.5
Non current liabilities	58,997	17,061	245.8
Financial Ratios			
Net Tangible Assets per Share (S cents)	45.82	33.27	37.7
Basic Earnings per Share (S cents)	4.74	4.18	13.4

** Results (Revenue, Gross Profit, Profit before income tax) from continuing operations (Aluminium Alloy Division and PE Pipe Division) only. Agency and Procurement Division ceased trading operations in March 2009.*

Revenue (S$'000)

Profit Before Income Tax (S$'000)

Gross Profit (S$'000)

Profit Attributable to Equity Holders (S$'000)

"More VALUE Driven"

We believe that our established track record, quality products and services will enable us to seize the opportunities ahead.

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| FINANCIAL REVIEW |

REVENUE

Our Group's principal activities for FY2010 are as follows:

a. manufacture of large section aluminium alloy extrusion products for use mainly in the following:

- Rail Transport Industry – We produce aluminium alloy profiles which are used to manufacture train car body frames for use by high-speed trains, MRT and LRT trains;

- Power Industry – We produce aluminium alloy tubings which are used in power stations for power transmission purposes, electrical energy distribution and transmission cables; and

- Others – We produce aluminium alloy rods and other specialized profiles which are used in the production of mechanical parts for industrial machinery.

b. manufacture PE pipes for use in various types of piping networks including gas piping networks and water distribution networks.

Our revenue by business activities is set out below:

Business segments (S$' 000)	**FY2010**	**FY2009**	**Change**	**%**
Aluminium Alloy Division	199,656	143,030	56,626	39.6
PE Pipes Division	7,757	6,963	794	11.4
Total	**207,413**	**149,993**	**57,420**	**38.3**

Our total revenue increased by about S$57.4 million or 38.3% from S$150.0 million in FY2009 to S$207.4 million in FY2010. Revenue at our Aluminium Alloy Division increased by approximately S$56.6 million or 39.6% from S$143.0 million in FY2009 to S$199.7 million in FY2010. Our Aluminium Alloy Division contributed approximately 96.3% of total revenue for FY2010 as compared to approximately 95.4% for FY2009.

The table below show the revenue segmentation in percentage terms by end usage at the Aluminium Alloy Division for the financial year ended 31 December 2010:

Aluminium Alloy Division

	FY2010	**FY2009**
	%	%
Rail Transport Industry	80.3	64.8
Power Industry	5.4	17.9
Others	14.3	17.3
Total	**100.0**	**100.0**

Sales by end usage indicate that revenue contribution from the rail transport industry is still the major revenue contributor, contributing approximately 80.3% of the revenue for the Aluminium Alloy Division. "Others" segment included mainly revenue from the supply of aluminium alloy rods and other specialized profiles for industrial equipment.

Our Aluminium Alloy Division is currently well placed to compete more effectively, especially in supplying aluminium alloy profiles for use as train car body frames in the rail transport industry. In addition, our Aluminium Alloy Division also has the capabilities to process car body components for train car. Our Aluminium Alloy Division is certified by the world's three leading train manufacturers, namely Alstom, Siemens and Changchun Bombardier. It was also awarded the EN 15085-2 certification for the welding of railway vehicles and components issued by GSI SLV Duisburg, one of the largest welding engineering institutes in Europe and the International Railway Industry Standard (IRIS) certification in FY2009. We believe that such recognition would provide us the platform to expand our business both in the PRC and the international markets. We have demonstrated our capabilities in supplying aluminium alloy profiles of international standards and meeting the stringent requirements of our international customers by securing more contracts in the international markets.

In FY2010, our Aluminium Alloy Division undertake aggressive expansion plans by installing three new production lines which increased our annual production capacity from 20,000 tonnes in FY2009 to 50,000 tonnes; and also two additional fabrication lines which enable us to fabricate car body components for 1,000 train cars from 300 train cars in FY2009.

PROFITABILITY

Our gross profit by business activities is set out below:

Business segments (S$' 000)	**FY2010**	**FY2009**	**Change**	**%**
Aluminium Alloy Division	68,091	54,937	13,154	23.9
PE Pipes Division	1,383	1,658	(275)	(16.6)
Total	**69,474**	**56,595**	**12,879**	**22.8**
Gross Profit Margin (%)	*33.5*	*37.7*		

Gross profit increased by approximately S$12.9 million or 22.8% from S$56.6 million in FY2009 to S$69.5 million in FY2010. Gross profit margin for FY2010 was 33.5% versus 37.7% in FY2009. This was due to lower gross profit margin at our Aluminium Alloy Division of 34.1% in FY2010 as compared to 38.4% in FY2009. The lower gross profit margin came about from an increase in raw material cost.

Our profit before income tax by business activities is set out below:

Business segments (S$' 000)	**FY2010**	**FY2009**	**Change**	**%**
Continuing operations				
Aluminium Alloy Division	55,205	46,732	8,473	18.1
PE Pipes Division	482	497	(15)	(3.0)
Unallocated	(3,310)	(3,253)	(57)	1.8
Discontinued operations – Agency & Procurement Division	–	385	NM	NM
Finance costs	(1,885)	(810)	(1,075)	132.7
Share of profits of an associate	9,261	3,314	5,947	179.5
Total	**59,753**	**46,865**	**12,888**	**27.5**

Other operating income in FY2010 comprised mainly interest income and disposal of scrap materials at our Aluminium Alloy Division in FY2010. Other operating income decreased by about S$0.9 million as no reinvestment tax refunds is received by our Aluminium Alloy Division in FY2010.

Selling and distribution expenses increased by approximately S$1.2 million in FY2010, driven by the higher business volume recorded at our Aluminium Alloy Division, which resulted in an increase in transport costs, consumable items and staff costs as compared with FY2009.

Administrative expenses increased by about S$2.4 million in FY2010 mainly due to higher payroll costs arising from an increase in headcount to cater to our current expansion plans, salary revision and increase in depreciation, amortisation and property taxes as compared with FY2009.

Finance cost comprised interest paid for bank borrowings, bank charges and financing costs relating to early utilisation of notes receivable. Approximately S$6.9 million of the interest on bank borrowings that are directly arising from loans obtained to finance the construction of property, plant and equipment for our new production lines were capitalised.

Our associated company, Nanjing SR Puzhen Rail Transport Co., Ltd ("NPRT"), contributed approximately S$9.3 million in FY2010. The increase of about S$6.0 million is driven mainly by an increase in delivery of train cars to its customers.

Income tax expense for FY2010 increased by about S$2.0 million as a result of higher profits and withholding tax arising from dividends declared by our China subsidiaries. With effect from 1 January 2008, all the PRC subsidiaries are subject to statutory corporate income tax rate of 25% in accordance with the PRC's Corporate Income Tax Law. However, our Aluminium Alloy Division was granted a 50% relief of Enterprise Income Tax in respect of its profits derived from the second production line until FY2010.

FY2010 ended with net profit attributable to shareholders of about S$48.5 million which represented a 29.2% increase over FY2009.

CAPITAL STRUCTURE OF THE GROUP

Loans

	As at 31 December 2010		As at 31 December 2009	
	Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
Amount repayable in one year or less, or on demand	52,395	21,483	68,206	11,898
Amount repayable after one year	58,590	–	16,646	–
Total	110,985	21,483	84,852	11,898

Details of collateral

The secured borrowings consist of bank loans that are provided to Jilin Midas Aluminium Industries Co., Ltd and Shanxi Wanshida Engineering Plastics Co., Ltd.

As at 31 December 2010, the bank loans are secured by the mortgage of land use rights, property, plant and equipment and various trade receivables with net book value of about S$210.6 million (31 December 2009: S$105.6 million).

All bank borrowings are variable-rate borrowings, and these borrowings carried interest at rates ranging from 90% to 110% (2009: 90% to 120%) of the benchmark interest rate as quoted by The People's Bank of China.

Bank borrowings are all denominated in Renminbi as at the reporting date.

Cash and Cash Equivalents

The carrying amounts of cash and cash equivalents approximate their fair value and are denominated in the following currencies:

The Group	2010 S$'000	2009 S$'000
Euro	127	978
Renminbi	183,478	93,592
Singapore dollar	60,072	2,212
United States dollar	792	4,433
Hong Kong dollar	246	–
Others	7	8
	244,722	101,223

GROUP'S ORDER BOOK

The Group's order book as at 31 December 2010 is about Renminbi 1.3 billion.

EMPLOYEES, REMUNERATION POLICY AND EMPLOYEE SHARE OPTIONS

As at 31 December 2010, there were 1,380 (2009: 977) employees in the Group. Staff remuneration packages are determined in consideration of market conditions and the performance of the individuals concerned, and are subject to review from time to time. The Group also provides other staff benefits including medical and life insurance, and grants share options to eligible staff based on their performance and contributions to the Group. As at 31 December 2010, there were unexercised share options for 12,350,000 unissued ordinary shares (31 December 2009: 12,600,000) under the "Midas Employees Share Option Scheme".

GEARING

The Group monitors capital using a gearing ratio, which is derived by dividing total interest bearing bank loans to shareholder's equity.

Our gearing ratio was 30.2% as at 31 December 2009 and 23.7% as at 31 December 2010. Our gearing ratio reduced from 2009 to 2010 because our shareholders' equity increased at a higher rate than bank borrowings.

UPDATE ON USE OF PROCEEDS

Update on the use of proceeds from the listing of 253,000,000 new ordinary shares in the capital of the Company on SEHK:

Part of the net proceeds of S$213.0 million had been utilised as follows:

(i) An amount of approximately S$2.9 million had been used for capital expenditure for our Aluminium Alloy Division;

(ii) An amount of approximately S$37.0 million has been used for repayment of bank loans;

(iii) Approximately S$29.3 million had been used for working capital purposes; and

(iv) The remaining balance is being held for its intended purpose.

| RISK MANAGEMENT |

Business Risk

Our revenue is mainly derived in the PRC from the sales of aluminium alloy extrusion products and PE pipes for the rail transport and infrastructure industries. We intend to further our growth opportunities by marketing our products overseas to minimise any over reliance on the local PRC markets. Since FY2004, we have successfully exported or secured orders for our large section aluminium alloy profiles to manufacture train car body frames for the Singapore Circle Line and Downtown Line Project, the Metro Oslo MRT Project in Norway, the Valero Rus Project for the Russian market, the Desiro Mainline Project for the European and ex-European markets, the Helsinki – St. Petersburg High Speed Train Project, the Incheon International Airport Railroad Project in South Korea, the RS-Citadis Project for the European market,Saudi Arabia Metro Project and Iran Metro Project for the Middle East market, SBB Double Deck Train Project in Switzerland, Malaysia Intercity Urban Rail Project and Izmir Light Rail Transit Project in Turkey.

The raw materials used in our manufacturing processes are plastic resins (for our PE Pipes Division) and aluminium alloy billets (for our Aluminium Alloy Division). Raw materials make up a significant component of the cost of sales. We are therefore vulnerable to fluctuations in the prices of these raw materials and components. We generally do not purchase or store raw materials in advance. Purchases of raw materials are generally made in response to customers' order. Our Group makes use of this natural hedge to minimise any impact of fluctuations in raw materials prices on our Group's profitability.

Interest Rate Risk

Our interest rate risk relates primarily to our restricted bank deposits, bank deposits and bank borrowings. We place our cash balances with reputable banks and financial institutions. Our policy is to obtain the most favourable rates available. We currently have not entered into interest rate swaps to hedge against our exposure to changes in fair values of our borrowings.

In addition, to the extent that we may need to raise debt financing in the future, upward fluctuations in interest rates will increase the cost of new debts. Fluctuations in interest rates can also lead to significant fluctuations in the fair values of our debt obligations.

We currently do not use any derivative instruments to manage our interest rate. To the extent we decide to do so in the future, there can be no assurance that any future hedging activities will protect us from fluctuations in interest rates.

Liquidity Risk

Liquidity risk is the risk that we have net current liabilities at the end of a reporting period. We are exposed to liquidity risk if we are unable to raise sufficient funds to meet our financial obligations when they fall due.

To manage liquidity risk, we monitor and maintain a level of cash and cash equivalents considered adequate by our management to finance our operations and mitigate the effects of fluctuations in cash flow. In doing so, our management monitors the utilisation of borrowings to ensure adequate unutilised banking facilities and compliance with loan covenants.

Foreign Currency Risk

Foreign currency risk refers to the risk that movement in foreign currency exchange rates will affect our Group's financial results and cash flow.

Certain of our bank accounts, deposits, receivables and payables are denominated in Singapore dollars, U.S. dollars and Euros, which are different from the functional currency of our entities, which exposes us to foreign currency risk. However, most of our operating expenses, including our operating and administrative costs are denominated in Renminbi, and we collect most of our revenue in Renminbi. We expect to continue to incur a significant portion of our operating costs, and to recognise operating revenue, in Renminbi. As a result, we do not believe we are exposed to significant foreign currency risk.

However, our Company's cash flow is derived from dividend income from our subsidiaries in Singapore dollars. Hence, our Company would be exposed to foreign exchange risks when we receive dividends from our PRC subsidiaries in Renminbi.

As we expand our operations, we may incur a certain portion of our cash flow in currencies other than Renminbi and, thereby, may increase our exposure to fluctuations on exchange rates. Our policy is not to take speculative positions through forward currency contracts and we have not engaged in any foreign currency hedging activities as at the date of this annual report.

Credit Risk

Our principal financial assets are trade and other receivables and bank balances, which represent our maximum exposure to credit risk in relation to financial assets.

Our credit risk is primarily attributable to trade receivables. In order to minimise credit risk, our management continuously monitors the level of our exposure to ensure that follow-up action is taken to recover overdue debts. In addition, we review the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, our Directors consider that our credit risk is significantly reduced.

Our trade receivables are mainly generated by customers in the PRC. Although we rely on a few key customers, our historical experience in the collection of trade and other receivables falls within the recorded allowance for doubtful debts. We are of the opinion that adequate provision for uncollectible trade receivables has been made in the financial statements. In addition, the credit risk on bank deposits and bank balances is limited because a majority of the counterparties are state-owned banks with good reputations and credit ratings.

| CORPORATE GOVERNANCE STATEMENT |

Midas Holdings Limited ("the Company") is committed to maintaining a high standard of corporate governance in complying with the benchmark set by the Code of Corporate Governance 2005 (the "Singapore CG Code") issued by the Ministry of Finance on 14 July 2005 and has fully complied with the Code on Corporate Governance Practices (the "HK CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "SEHK") from the date on which the shares of the Company are listed on the SEHK.

The main corporate governance practices that were in place since are set out below.

A BOARD MATTERS

Board's conduct of its affairs

The Board of Directors ("the Board") supervises the management of the business and affairs of the Company and its subsidiaries ("the Group"). The Board approves the Group's corporate and strategic direction, appointment of Directors and key managerial personnel, major funding and investment proposals, and reviews the financial performance of the Group.

To assist in the execution of its responsibilities, the Board has established an Audit Committee ("AC"), a Remuneration Committee ("RC") and a Nominating Committee ("NC"). Each of these committees has its own written terms of reference and whose actions are reported to and monitored by the Board. The Company has adopted internal guidelines setting forth matters that require Board approval.

The types of material transactions that require the Board's approval under such guidelines included the following:

- Approval of quarterly results announcement;
- Approval of the annual reports and accounts;
- Declaration of interim dividends and proposal of final dividends;
- Convening of shareholders' meetings;
- Approval of broad policies, strategies and financial objectives of the Group and monitoring the performance of management;
- Oversee the processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance;
- Approval of nominations of Directors;
- Approval of material acquisitions and disposals of assets; and
- Authorisation of major transactions.

The Board comprises business leaders and professionals with financial backgrounds. Profiles of our Directors are found on pages 12 and 13 of this Report.

The Board conducts scheduled meetings on a regular basis. Ad hoc meetings will be convened to deliberate on urgent substantive matters when necessary. Telephonic attendance and conference via audio-visual communications at Board meetings are allowed under the Company's Articles of Association. The attendance of the Directors at meetings of the Board and Board committees, as well as the frequency of such meetings, is disclosed in Part E of this Report.

The Directors are provided with important and relevant information of the Company and the Group. The Directors are also provided with the phone numbers and email addresses of the Company's senior management and Company Secretary to facilitate access to information.

Newly appointed Directors are given an orientation on the Group's business strategies and operations, including factory visits to ensure their familiarity with the Group's operations and governance practices.

The Company Secretary and/or her representative attend(s) all Board meetings and, together with the Directors, are responsible for ensuring that the Board procedures are followed and that applicable rules and regulations are complied with. The Company Secretary and/or her representative administer(s), attend(s) and prepare(s) minutes of all Board and Board committee meetings.

Directors are welcome to request further explanations, briefings or informal discussions on any aspects of the Group's operations or business issues from the management. The Chief Executive Officer ("CEO") will make the necessary arrangements for the briefings, informal discussions or explanations required by the Directors.

Board composition and balance

The Board comprises two Executive Directors and three Independent Non-Executive Directors. Key information regarding the Directors can be found under the Board of Directors' Profile section in this annual report.

Name of Director	Board Committee as Chairman or Member	Directorship: Date of first appointment/ Date of last re-election	Board appointment: Executive or non-executive/ Independent	Due for re-election at next AGM
Chen Wei Ping	NA	21 August 2002/ 30 April 2010	Executive	NA
Chew Hwa Kwang, Patrick	NA	17 November 2000/ 30 April 2009	Executive	Retirement pursuant to Article 91 of the Company's articles of association ("Articles")
Chew Chin Hua	Chairman of AC, Member of NC and RC	6 January 2004/ 30 April 2010	Independent	NA
Chan Soo Sen	Chairman of NC and RC, Member of AC	29 June 2006/ 30 April 2009	Independent	Retirement pursuant to Article 91 of the Articles
Xu Wei Dong	Member of AC, NC and RC	17 March 2010/ 30 April 2010	Independent	NA

The independence of each Independent Non-Executive Director is reviewed annually by the NC. The NC adopts the Singapore CG Code and HK CG Code's definition of what constitutes an Independent Non-Executive Director in its review, and the Company requires the Independent Non-Executive Directors to declare their independence annually. As a result of the review of the independence of each Director for the year and upon receipt of confirmation of independent pursuant to Rule 3.13 of the Listing Rules from each of the Independent Non-Executive Directors, the NC is satisfied with the independence of all the Independent Non-Executive Directors.

Role of Chairman and CEO

The roles for both Chairman and CEO in the Company are separately assumed by Mr. Chen Wei Ping and Mr. Chew Hwa Kwang, Patrick. As such, there is a clear division of responsibilities at the top of the Group. Mr. Chen bears responsibility for the workings of the Board and ensures that procedures are introduced to comply with the Singapore CG Code and HK CG Code while Mr. Chew bears executive responsibility for the Group's business.

Nominating Committee ("NC")

The NC comprises 3 Independent Non-Executive Directors:

- Mr. Chan Soo Sen, Chairman of the NC and Independent Non-Executive Director
- Mr. Chew Chin Hua, Independent Non-Executive Director
- Dr. Xu Wei Dong, Independent Non-Executive Director

The principal functions of the NC are to:

- Identify suitable candidates and review all nominations for the appointment to the Board of Directors before making recommendations to the Board for appointment.
- Assess the independence of the Directors annually and is of the opinion that the Directors who have been classified as independent under the "Board of Directors" section are indeed independent.
- Decide whether or not a Director is able to and has been adequately carrying out his duties as a Director of the Company particularly where the Director has multiple board representations.
- Access the effectiveness of the Board.
- To recommend Directors who are retiring by rotation to be put forward for re-election, having regard to their contribution and performance.

The NC is of the view that the current Board comprises persons who as a group, provide core competencies necessary to meet the Company's targets and that the current board size is adequate, taking into account the nature and scope of the Group's operations.

Key information on the individual Directors of the Company is set out on pages 12 and 13 of this Annual Report. Their shareholdings are also disclosed on page 33 of the Directors' report. None of the Directors hold shares in the subsidiaries of the Company.

Board Performance

The NC will use its best efforts to ensure that Directors appointed to the Board possess the relevant background, experience and knowledge to enable balanced and well-considered decisions to be made. The performance criteria the NC will consider in relation to an individual Director include the Director's industry knowledge and/or functional expertise, contribution and workload requirements, sense of independence and attendance at the Board and committee meetings. One of the NC's responsibilities is to undertake a review of the Board's performance. The NC will consider practicable methods to assess the effectiveness of the Board.

During the year, the NC has reviewed and evaluated the performance of the Board, taking into consideration the attendance record at the meetings of the Board and the Committees and also the contribution of each Director to the effectiveness of the Board.

Where a Director has multiple board representations, the NC will evaluate whether or not the Director is able to carry out and has been adequately carrying out his/her duties as a director of the Company.

For the year under review, the Board is satisfied that each Director has allocated sufficient time and resources to the affairs of the Company.

B REMUNERATION MATTERS

Remuneration Committee ("RC")

The RC comprises 3 Independent Non-Executive Directors:

1. Mr. Chan Soo Sen, Chairman of the RC and Independent Non-Executive Director
2. Mr. Chew Chin Hua, Independent Non-Executive Director
3. Dr. Xu Wei Dong, Independent Non-Executive Director

The principal functions of the RC are to:

- Review and advise the Board on the remuneration packages of senior management employees of the Group.
- Review and approve annually the remuneration for the Directors.
- Determine targets for any performance related pay schemes operated by the Company.
- Administer the Midas Employees Share Option Scheme ("the Scheme").

The members of the RC do not have specialized knowledge in the field of executive compensation. However, they have gained experiences in this area via managing the business and/or the human resources matters of the Group and companies outside the Group. The Company will ensure that the RC has access to expert advice on the human resource matter whenever there is a need to consult externally. In setting remuneration packages, the Group takes into account pay and employment conditions within the same industry and in comparable companies, as well as the Group's performance and individual's performance. No Director or executive will be involved in deciding his own remuneration.

The remuneration packages for our Executive Chairman and CEO include a basic salary component, a profit sharing component as well as share option elements, which are performance related. Both our Executive Chairman and CEO have entered into service agreements with the Group with effect from 1 January 2009 for a period of three years.

Independent and Non-Executive Directors do not have service contracts with the Company. Independent and Non-Executive Directors will receive directors' fees, in accordance with their contributions, taking into factors such as effort and time spent, responsibilities of the Directors and the need to pay competitive fees to attract, retain and motivate the Directors. Directors' fees have been recommended by the Board for approval at the Company's Annual General Meeting ("AGM").

During the year of 2010, the RC has conducted a review of the remuneration policy for Directors.

Disclosure on Remuneration

A breakdown of each individual Director's remuneration, in percentage terms showing the level and mix for the year ended 31 December 2010, is as follows:

	Fees %	Salary %	Other Benefits %	Total %
S$500,000 and above:				
Chen Wei Ping	–	84	16	100
S$250,000 to S$499,999:				
Chew Hwa Kwang, Patrick	–	84	16	100
Below S$250,000:				
Chew Chin Hua	100	–	–	100
Chan Soo Sen	100	–	–	100
Tong Wei Min, Raymond (resigned on 30 November 2010)	100	–	–	100
Xu Wei Dong (appointed on 17 March 2010)	100	–	–	100

The table below sets out the ranges of gross remuneration received by the top five executives in the Company and its subsidiaries, but does not include associate during the financial year under review.

S$250,000 to S$499,999:	
Wang Jiaxin	– Deputy CEO and General Manager of Jilin Midas Aluminium Industries Co., Ltd.
Tan Kai Teck	– Chief Financial Officer
Below S$250,000:	
Yang Xiao Guang	– General Manager (Business Development)
Ma Mingzhang	– General Manager of Shanxi Wanshida Engineering Plastics Co., Ltd.
Sun Qixiang	– Financial Controller of Jilin Midas Aluminium Industries Co., Ltd.

There are no persons occupying managerial positions in the Company who are related to a Director or substantial shareholder of the Company or any of its principal subsidiaries who earned more than S$150,000 per annum for the financial year ended 31 December 2010.

C ACCOUNTABILITY AND AUDIT

Audit Committee ("AC")

The AC comprises 3 Independent Non-Executive Directors:

- Mr. Chew Chin Hua, Chairman of the AC and Independent Non-Executive Director
- Mr. Chan Soo Sen, Independent Non-Executive Director
- Dr. Xu Wei Dong, Independent Non-Executive Director

The chairman of the AC, Mr. Chew Chin Hua has many years of experience in the auditing and accounting profession. Mr. Chan Soo Sen and Dr. Xu Wei Dong have many years of experience in business and financial management. The AC members bring with them extensive managerial and financial expertise. They are also board members of various listed companies in Singapore and China. The AC meets at least 4 times a year, with further meetings if circumstances require. The Board is of the view that the members of the AC have sufficient financial management expertise and experience to discharge the AC's functions.

The AC assists the Board to maintain a high standard of corporate governance, particularly in the areas of effective financial reporting and the adequacy of internal control systems of the Group.

During the year, the AC reviewed and approved the audit plans submitted by both the internal and external auditors. The AC reviewed the findings and recommendations from the auditors. The AC also reviewed and discussed the announcements of the quarterly, half year and full year results.

The AC evaluates the assistance given by management to the external auditors and also reviews any interested person transactions.

The AC has full access to management and is given the resources required for it to discharge its functions. It has full authority and discretion to invite any Director or executive officer to attend its meetings.

The AC meets with the external auditors, without the presence of management, at least once a year.

The AC, having reviewed all non-audit services provided by the external auditors to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditors. The AC recommends BDO LLP to the Board of Directors for re-appointment as external auditors of the Company.

Internal Control

The Board believes that, in the absence of any evidence to the contrary, the system of internal control maintained by the Group throughout the financial year and up to the date of this report, provides reasonable, but not absolute, assurance against material financial misstatements or loss, and include the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulation and best practice, and the identification and containment of business risk. The Board notes that no system of internal control could provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

During the year, the Board has reviewed the Group's internal control system. The review covers all material controls, including financial, operational and compliance controls and risk management of the Group and such systems have been considered reasonably effective and adequate.

Internal Audit

The internal audit function is outsourced to a firm of certified public accountants. The internal auditors report directly to the Chairman of the AC. The AC reviews and approves the annual internal audit plans and reviews the scope of internal audit procedures. The internal auditors report to the AC directly their significant findings and recommendations arising from the internal audit carried out.

Director's Responsibility for the Financial Statements

The Directors are responsible for overseeing the preparation of financial statements for each financial period with a view to ensuring such financial statements give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. The Group's financial statements are prepared in accordance with all relevant statutory requirements and applicable accounting standards. The Directors are responsible for ensuring that appropriate accounting policies are selected and applied consistently; and that judgments and estimates made are prudent and reasonable. The statement of the independent auditors of the Company, Messrs. BDO LLP, with regard to their reporting responsibilities on the Company's financial statements is set out in the Independent Auditor's Report on page 41.

D COMMUNICATIONS WITH SHAREHOLDERS

The Group is mindful of the obligation to provide regular, effective and fair communication with shareholders on a timely basis. The Group does not practice selective disclosure. The Company holds analysts briefing after announcing its full-year results in Singapore. The announcements of results are published through the SGXNET, website of SEHK, website of the Company and news releases. All information on the Company's and/or the Group's new initiatives are first disseminated via SGXNET and websites of SEHK and the Company followed by a news release. Results and annual reports are announced or issued within the mandatory period.

All shareholders of the Company receive the annual report, circulars and notices of the shareholders' meetings. The notices are also advertised in newspapers in Singapore. The Company encouraged shareholders to attend the AGM to ensure a high level of accountability and to stay informed of the Company's and/or the Group's strategies and goals. The notice of this AGM has been dispatched to the shareholders, at least 20 clear business days before the meeting. The Board welcomes questions from shareholders either formally or informally before or at the AGM.

The Company's Articles of Association allow a shareholder of the Company to appoint one or two proxies to attend and vote instead of the shareholder.

E OTHERS

Director's Attendance at Board & Committee Meetings

The number of Board and Committee meetings held in the year ended 31 December 2010 and the attendance at those meetings were as follows:

	Board	Audit Committee	Nominating Committee	Remuneration Committee
	Total no. of meetings held = 4	Total no. of meetings held = 4	Total no. of meetings held = 1	Total no. of meetings held = 1
	No. of meetings attended	No. of meetings attended	No. of meetings attended	No. of meetings attended
Chen Wei Ping	4/4	NA	NA	NA
Chew Hwa Kwang, Patrick	4/4	NA	NA	NA
Chew Chin Hua	4/4	4/4	1/1	1/1
Chan Soo Sen	4/4	4/4	1/1	1/1
Tong Wei Min, Raymond (resigned on 30 November 2010)	4/4	4/4	1/1	1/1
Xu Wei Dong (appointed on 17 March 2010)	3/3	N/A	N/A	N/A

Securities Trading

The Group has adopted a code of conduct rules regarding securities transactions by the Directors on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the "Model Code") and in compliance with the best practices stipulated in Listing Rule 1207(18) of the SGX-ST Listing Manual with respect to the dealings in securities for the guidance of Directors and officers. In addition, having made specific enquiry to all Directors, the Company understands that all Directors have compiled with the required standard set out in the Model Code and its code of conduct regarding Directors' securities transactions. In line with the guidelines, Directors and executive officers of the Group are not permitted to deal in the Company's shares during the period of 30 days immediately preceding the publication date of the quarterly results and half-year results or, if shorter, the period from the end of the quarterly or half-year period up to the publication date of the results; or during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the financial year up to the publication date of the results; or when they are in possession of any unpublished price sensitive information on the Group.

Interested Person Transactions Policy

The Group has adopted an internal policy in respect of any transactions with interested persons and has set out the procedures for periodic review and approval of these transactions by the AC.

Risk Management

The Group regularly reviews and improves its business and operational activities to take into account the risk management perspective. The Group seeks to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. The Group reviews all significant control policies and procedures and highlights all significant matters to the AC.

Whistle-Blowing Program

As a further enhancement to internal risk control processes, the Company introduced and implemented the "Policy on Reporting Wrongdoing" across the Group. Under this "Whistleblowing" policy, all forms of "wrong-doings" can be reported to an investigation unit, with the "whistle-blower" being provided confidentiality protection. "Wrong-doings" can include fraud, theft, abuse of authority, breach of regulations or non-compliance with corporate policy such as improper banking or financial transactions.

Material Contracts

Save as disclosed, there are no other material contracts entered into by the Company and its subsidiaries involving the interest of the CEO, Director or controlling shareholder, which are either subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year.

Auditors' remuneration

For the year ended 31 December 2010, the remuneration paid or payable to the Group's external auditors for providing the audit and other non-audit services were as follows:

	S$'000
Audit services	230
Non-audit services: Secondary listing on the Stock Exchange of Hong Kong Limited in Hong Kong	736

| REPORT OF THE DIRECTORS |

The Directors of the Company present their report to the members together with the audited consolidated financial statements of the Group for the financial year ended 31 December 2010 and the statement of financial position of the Company as at 31 December 2010.

1. Principal activities

The principal activity of the Company continues to be investment holding. The principal activities of its subsidiaries are manufacturing and sale of aluminium alloy extrusion products and polyethylene pipes. The principal activities and other particulars of the Company's subsidiaries are set out in note 18 to the consolidated financial statements.

2. Results and Appropriations

The results of the Group for the financial year ended 31 December 2010 and the state of the Company's and the Group's affairs as at that date are set out in the consolidated financial statements on pages 42 to 91.

Interim dividends of S$0.005 per ordinary share, totalling S$5,455,000 was paid during the financial year. The Directors recommend the payment of a final dividend S$0.005 per ordinary share, totalling S$6,088,000, in respect of the financial year ended 31 December 2010.

3. Share capital

Details of the movement in the Company's issued share capital during the financial year are set out in note 29 to the consolidated financial statements.

4. Distributable reserves of the Company

The Company's reserves available for distribution to shareholders as at 31 December 2010 amounted to approximately S$12,421,000.

5. Reserves

Details of the movements in reserves of the Group and the Company during the financial year are set out in the consolidated statement of changes in equity and note 30 to the consolidated financial statements respectively.

6. Fixed assets

Details of the acquisitions and other movements in the fixed assets of the Group and of the Company are set out in notes 16 and 17 to the consolidated financial statements.

7. Major customers and suppliers

The information in respect of the Group's sales and purchases attributable to the major customers and suppliers respectively during the financial year is as follows:

	Percentage of the Group's total	
	Sales	Purchases
	%	%
The largest customer	34.7	
Five largest customers in aggregate	78.6	
The largest supplier		34.6
Five largest suppliers in aggregate		88.4

At no time during the financial year have the Directors, and/or their associate had any interest in these major customers and suppliers.

8. Directors

The Directors of the Company during the financial year and up to date of this report were as follows:

Executive Directors:
Mr. Chen Wei Ping
Mr. Chew Hwa Kwang, Patrick

Independent Non-Executive Directors:
Mr. Chew Chin Hua
Mr. Chan Soo Sen
Dr. Xu Wei Dong (appointed on 17 March 2010)

Non-Executive Director:
Mr. Tong Wei Min, Raymond (resigned on 30 November 2010)

The biographical details of the Directors and executive officers are set out under the section "Board of Directors" of this Annual Report.

In accordance with Article 91 of the Company's Articles of Association, Mr. Chew Hwa Kwang, Patrick and Mr. Chan Soo Sen shall retire from the Board of Directors by rotation and being eligible, offer themselves for re-election at the forthcoming annual general meeting ("AGM").

9. Arrangements to enable Directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than as disclosed under "Share Options" of this report.

10. Directors' interests and short position in shares, underlying shares or debentures

According to the register of Directors' shareholding kept by the Company for the purpose of Section 164 of the Singapore Companies Act, Cap. 50 (the "Act") and Section 352 of the Securities and Futures Ordinance ("SFO"), the Directors who were holding office at the end of financial year had interest and short position in the shares, underlying shares or debentures of the Company and its related corporations as detailed below:

		Direct Interest		Deemed interest		
Name of Director	**Capacity**	**At beginning of the financial year or date of appointment**	**At end of the financial year**	**At beginning of the financial year or date of appointment**	**At end of the financial year**	**Percentage of the issued share capital of the Company**
		Number of ordinary shares		Number of ordinary shares		
Interest in the Company						
Mr. Chen Wei Ping	Beneficial owner	130,905,200	130,905,200	–	–	10.75%
Mr. Chew Hwa Kwang, Patrick	Beneficial owner	120,711,800	120,711,800	–	–	9.91%
Mr. Chew Chin Hua	Beneficial owner	1,000,000	1,000,000	600,000	600,000	0.13%

The percentage of the issued share capital of the Company is computed based on 1,217,617,800 issued voting shares (excluding 1,000,000 treasury shares).

10. Directors' interests and short position in shares, underlying shares or debentures (Continued)

In accordance with the requirements of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Directors of the Company state that, according to the register of Directors' shareholdings, there was no other change in the Directors' interests as at 21 January 2011 in shares of the Company and its related corporations from those disclosed as at 31 December 2010.

As at 31 December 2010, the abovementioned interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) held by the Directors and chief executives of the Company which have been notified to the Company and The Stock Exchange of Hong Kong Limited (the "SEHK") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to Section 352 of the SFO, or otherwise have been notified to the Company and the SEHK pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code").

Save as disclosed above, as at 31 December 2010, none of the Directors, chief executive of the Company nor their associates had or was deemed to have any interests or short position in the Shares, underlying Shares or debentures of the Company and its associated corporations.

According to the register of Directors' shareholdings, certain Directors holding office at the end of the financial year had interests in options to subscribe for ordinary shares of the Company granted pursuant to the Midas Employee Share Option Scheme (the "Scheme") as set out below:

Name of Director	Exercise price per share	Exercise period	At beginning of the financial year	At end of the financial year
Options to subscribe for ordinary shares of the Company				
Mr. Chen Wei Ping	S$0.873	11.5.2007 to 10.5.2011	1,500,000	1,500,000
Mr. Chew Hwa Kwang, Patrick	S$0.873	11.5.2007 to 10.5.2011	1,500,000	1,500,000
Mr. Chew Chin Hua	S$1.992	14.5.2008 to 13.5.2012	300,000	300,000
	S$0.517	09.2.2010 to 08.2.2014	250,000	250,000
Mr. Chan Soo Sen	S$1.992	14.5.2008 to 13.5.2012	300,000	300,000
	S$0.517	09.2.2010 to 08.2.2014	250,000	250,000

11. Corporate governance

The Board of Directors (the "Board") is committed to ensuring that the highest standards of corporate governance are practiced throughout the Group as a fundamental part of its responsibilities to protect and enhance shareholder value and the financial performance of the Group.

12. Directors' contractual benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Act, by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except for salaries, bonuses and other benefits as disclosed in the consolidated financial statements.

13. Directors' service contracts

No Directors proposed for re-election at the forthcoming AGM has a service contract which is not determinable by the Group within one financial year without payment of compensation (other than statutory compensation).

14. Share options

Midas Employee Share Option Scheme

The Scheme was approved by the shareholders of the Company at an Extraordinary General Meeting held on 6 January 2004. The Scheme is administered by the Company's Remuneration Committee, comprising Mr. Chew Chin Hua, Mr. Chan Soo Sen and Dr. Xu Wei Dong.

Under the Scheme, an option entitles the option holder to subscribe for a specific number of new ordinary shares in the Company comprised in the option at a subscription price per share determined with reference to the market price of the share at the time of grant of the option. The Remuneration Committee may at its discretion, fix the subscription price at a maximum discount of 20% off the market price. Options granted with the subscription price set at the market price shall only be exercised after the first anniversary from the date of the grant of the option. Options granted with the subscription price set at a discount to the market price shall only be exercised after the second anniversary from the date of the grant of the option. The shares under option may be exercised in whole or in part thereof. Options granted will lapse when the option holder ceases to be a full-time employee of the Company or any Company of the Group subject to certain exceptions at the discretion of the Company.

The number of shares available under the Scheme shall not exceed 15% of the issued share capital of the Company.

The Scheme became operative with options to subscribe for 2,500,000 ordinary shares of the Company being granted on 18 May 2005 ("2005 Options"). Particulars of the 2005 Options were set out in the Directors' Report for the financial year ended 31 December 2005.

On 11 May 2006, options to subscribe for 4,950,000 ordinary shares of the Company at an exercise price of S$0.873 per share were granted ("2006 Options"). The 2006 Options are exercisable from 11 May 2007 and expire on 10 May 2011.

On 14 May 2007, options to subscribe for 4,600,000 ordinary shares of the Company at an exercise price of S$1.992 per share were granted ("2007 Options"). The 2007 Options are exercisable from 14 May 2008 and expire on 13 May 2012.

On 9 February 2009, options to subscribe for 5,850,000 ordinary shares of the Company at an exercise price of S$0.517 per share were granted ("2009 Options"). The 2009 Options are exercisable from 9 February 2010 and expire on 8 February 2014.

14. Share options (Continued)

The details of options granted and exercised during the financial year were as follows:

Option participants	Granted in financial year ended 31.12.2010	Aggregate granted since commencement of scheme to 31.12.2010	Aggregate exercised or cancelled since commencement of scheme to 31.12.2010	Aggregate outstanding as at 31.12.2010
Directors of the Company				
– Mr. Chen Wei Ping	–	1,500,000	–	1,500,000
– Mr. Chew Hwa Kwang, Patrick	–	1,500,000	–	1,500,000
– Mr. Chew Chin Hua	–	950,000	(400,000)	550,000
– Mr. Chan Soo Sen	–	550,000	–	550,000
Other executives	–	13,400,000	(5,150,000)	8,250,000
Total	–	17,900,000	(5,550,000)	12,350,000

During the financial year, there was no share options granted to controlling shareholders of the Company at the financial year pursuant to the Scheme.

No other key management or employee has received options on 5% or more of the total number of shares available under the scheme during the financial year. No other Director or employee of the Company and its subsidiaries (as defined in the SGX-ST's Listing Manual) has received options on 5% or more of the total number of shares available to all Directors and employees of the Company and its subsidiaries under the Scheme during the financial year.

During the financial year ended 31 December 2010, a total of 250,000 ordinary shares at the exercise price of S$0.517 per share were issued in respect of the conversion of Midas Employee Share Option.

The number of unissued ordinary shares of the Company under options outstanding at the end of the financial year is as follows:

Option relating to Midas Employee Share Option Scheme	Number outstanding at 31.12.2010	Exercise price	Exercise period
2006 Options	3,000,000	S$0.873	11.5.2007 to 10.5.2011
2007 Options	4,000,000	S$1.992	14.5.2008 to 13.5.2012
2009 Options	5,350,000	S$0.517	9.2.2010 to 8.2.2014

15. Substantial shareholders

As at 31 December 2010, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of certain Directors, the following shareholders had notified the Company of relevant interests and short positions in the issued share capital of the Company.

Name of shareholder	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
JPMorgan Chase & Co. (Note 1)	Beneficial Owner	2,316,970 (Long position)	0.19%
		1,575,970 (Short position)	0.13%
	Investment Manager	122,417,000 (Long position)	10.05%
	Custodian	7,191,672 (Long position)	0.59%
		7,191,672 (Lending pool)	0.59%
Capital Research and Management Company (Note 2)	Investment Manager	117,182,000 (Long position)	9.62%
The Capital Group Companies, Inc. (Note 2)	Deemed interest and interest in controlled companies	117,182,000 (Long position)	9.62%

Notes:
1. JP Morgan Chase & Co. is deemed to be interested in these shares through its several directly and indirectly controlled corporations.
2. The Capital Group Companies Inc. is deemed to be interested in these shares through its directly controlled corporation, Capital Research and Management Company. They are the same block of shares.

Save as disclosed above, as at 31 December 2010, no person, other than the Directors whose interests are set out in the section "Directors' interests and short position in shares, underlying shares or debentures" above, has an interest or short position in the issued share capital of the Company that was required to be recorded.

16. Appointment of independent non-executive Directors

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on the SEHK (the "Listing Rules"). The Company considers all of the independent non-executive Directors are independent.

17. Related party

Details of significant related party transactions of the Group are set out in note 36 to the consolidated financial statements.

18. Emolument policy

The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emoluments of the Directors of the Company are decided by the Remuneration Committee, having regards to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted a share option scheme as an incentive to Directors and eligible employees, details of the scheme is set out in note 33 to the consolidated financial statements.

19. Pre-emptive rights

There are no provisions for pre-emptive rights under the Company's bye-laws, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

20. Sufficiency of public float

The Company has maintained a sufficient public float throughout the financial year ended 31 December 2010.

21. Purchase, sale or redemption of the Company's listed securities

During the financial year ended 31 December 2010, neither the Company nor its subsidiary had purchased, sold or redeemed any of the listed securities of the Company.

22. Directors' interests in competing business

None of the Directors of our Company have any ownership in other businesses which competes or is likely to compete, either directly or indirectly, with the businesses of our Group.

23. Compliance with the Model Code for Securities Transactions by Directors of Listed Issuer

The Board has adopted the Model Code as set out in Appendix 10 of the Listing Rules and its amendments from time to time as its own code of conduct regarding securities transaction by the Directors. The Board confirms that, having made specific enquiries with all Directors, throughout the period from the listing on the SEHK on 6 October 2010 up to and including 31 December 2010, all Directors have complied with the required standards of the Model Code.

24. Audit committee

In performing its functions, the audit committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The audit committee of the Company is chaired by Mr. Chew Chin Hua, an independent non-executive director, and includes Mr. Chan Soo Sen and Dr. Xu Wei Dong, who are both independent non-executive directors. The audit committee has met four times since the last Annual General Meeting (AGM) and has reviewed the following, where relevant, with the executive directors and external and internal auditors of the Company:

(a) the audit plans and results of the internal auditors examination and evaluation of the Group's systems of internal accounting controls;

(b) the Group's financial and operating results and accounting policies;

24. Audit committee (Continued)

(c) the financial statements of the Company and the consolidated financial statements of the Group before their submission to the Directors of the Company and external auditors' report on those financial statements;

(d) the quarterly, half-yearly and annual announcements as well as the related press releases on the results and financial position of the Company and the Group;

(e) the co-operation and assistance given by the management to the Group's external auditors; and

(f) the re-appointment of the external auditors of the Group.

The audit committee has reviewed the Consolidated financial Statements of the Group for the year ended 31 December 2010.

The audit committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any Director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the audit committee.

The audit committee has recommended to the Directors the nomination of BDO LLP for re-appointment as external auditors of the Group at the forthcoming AGM of the Company.

25. Auditors

The auditors, BDO LLP, have expressed their willingness to accept re-appointment.

26. Rational for the SEHK secondary listing

(a) provide the Company with additional capital for its future expansion and other business plans;

(b) provide the Company with an additional channel to raise capital and gain access to a wider range of institutional and retail investors;

(c) expand and diversify the Company's investor base as additional institutional investors and local retail investors in Hong Kong can participate in the equity of the Company; and

(d) enhance the Company's profile in the PRC and in Hong Kong, thereby benefitting the Company's long-term growth and development as its operations are principally located in the PRC.

On behalf of the Board of Directors

MR. CHEN WEI PING	**MR. CHEW HWA KWANG, PATRICK**
Director	Director

Singapore
16 March 2011

| STATEMENT BY THE DIRECTORS |

In the opinion of the Board of Directors,

(a) the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are drawn up in accordance with the provision of the Singapore Companies Act, Cap. 50, applicable disclosure requirements of the Hong Kong Companies Ordinance and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2010, and of the results, changes in equity and cash flows of the Group for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors

MR. CHEN WEI PING
Director

MR. CHEW HWA KWANG, PATRICK
Director

Singapore
16 March 2011

| INDEPENDENT AUDITOR'S REPORT |

TO THE MEMBERS OF MIDAS HOLDINGS LIMITED
(Incorporated in Singapore with limited liability)

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Midas Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") which comprise the statements of financial position of the Group and of the Company as at 31 December 2010, and the consolidated statements of comprehensive income, changes in equity and cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 42 to 91.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act"), applicable disclosure requirements of the Hong Kong Companies Ordinance and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act, applicable disclosure requirements of the Hong Kong Companies Ordinance and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2010 and the results, changes in equity and cash flows of the Group for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

BDO LLP
Public Accountants and
Certified Public Accountants

Singapore
16 March 2011

| CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME |

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	Notes	2010 S$'000	2009 S$'000
Continuing operations			
Revenue	4	**207,413**	149,993
Cost of sales		**(137,939)**	(93,398)
Gross profit		**69,474**	56,595
Other operating income	6	**1,032**	1,898
Selling and distribution expenses		**(5,887)**	(4,709)
Administrative expenses		**(12,242)**	(9,808)
Finance costs	9	**(1,885)**	(809)
Share of profits of an associate	19	**9,261**	3,314
Profit before income tax expense	7(a)	**59,753**	46,481
Income tax expense	12	**(11,245)**	(9,222)
Profit for the financial year from continuing operations		**48,508**	37,259
Discontinued operations			
Profit for the financial year from discontinued operations	7(b)	**–**	282
Profit for the financial year		**48,508**	37,541
Other comprehensive income:			
Translation differences relating to financial statements of foreign subsidiaries		**(16,774)**	(7,161)
Total comprehensive income for the financial year		**31,734**	30,380
Basic earnings per share (S cents)	15	**4.74**	4.18
– From continuing operations		**4.74**	4.15
– From discontinued operations		**–**	0.03
Diluted earnings per share (S cents)	15	**4.72**	4.18
– From continuing operations		**4.72**	4.15
– From discontinued operations		**–**	0.03

The accompanying notes form an integral part of these financial statements.

| CONSOLIDATED STATEMENT OF FINANCIAL POSITION |

AS AT 31 DECEMBER 2010

	Notes	2010 S$'000	2009 S$'000
Non-current assets			
Property, plant and equipment	16	**272,152**	194,605
Land use rights	17	**24,127**	18,285
Interest in an associate	19	**39,425**	33,414
Available-for-sale financial assets	20	**391**	411
Prepaid rental	21	**23**	26
Restricted bank deposits	22	**12,672**	14,048
		348,790	260,789
Current assets			
Inventories	23	**37,136**	17,706
Trade and other receivables	24	**99,984**	54,934
Cash and cash equivalents	25	**244,722**	101,223
		381,842	173,863
Current liabilities			
Trade and other payables	26	**36,817**	13,459
Bank borrowings	27	**73,878**	80,104
Dividends payable		**–**	2,411
Income tax payable		**3,029**	783
		113,724	96,757
Net current assets		**268,118**	77,106
Total assets less current liabilities		**616,908**	337,895
Non-current liabilities			
Bank borrowings	27	**58,590**	16,646
Deferred tax liability	28	**407**	415
		58,997	17,061
Net assets		**557,911**	320,834
Capital and reserves			
Share capital	29(a)	**433,874**	220,696
Treasury shares	29(b)	**(518)**	(518)
Foreign currency translation reserve	31	**(20,202)**	(3,428)
PRC statutory reserve	32	**22,659**	18,234
Share option reserve	33	**3,093**	3,062
Retained earnings		**119,005**	82,788
Total equity		**557,911**	320,834

The accompanying notes form an integral part of these financial statements.

| STATEMENT OF FINANCIAL POSITION OF THE COMPANY |

AS AT 31 DECEMBER 2010

	Notes	2010 S$'000	2009 S$'000
Non-current assets			
Property, plant and equipment	16	**9**	3
Interests in subsidiaries	18	**355,119**	188,766
Interest in an associate	19	**29,733**	29,733
		384,861	218,502
Current assets			
Other receivables	24	**3,485**	2,335
Cash and cash equivalents	25	**61,109**	6,620
		64,594	8,955
Current liabilities			
Other payables	26	**585**	105
Dividends payable		**–**	2,411
		585	2,516
Net current assets		**64,009**	6,439
Total assets less current liabilities		**448,870**	224,941
Capital and reserves			
Share capital	29(a)	**433,874**	220,696
Treasury shares	29(b)	**(518)**	(518)
Share option reserve	33	**3,093**	3,062
Retained earnings	30	**12,421**	1,701
Total equity		**448,870**	224,941

The accompanying notes form an integral part of these financial statements.

| CONSOLIDATED STATEMENT OF CHANGES IN EQUITY |

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	← Attributable to the equity holders of the Company →						
	Share capital (Note 29(a)) S$'000	**Treasury shares (Note 29(b))** S$'000	**Foreign currency translation reserve (Note 31)** S$'000	**PRC statutory reserve (Note 32)** S$'000	**Share option reserve (Note 33)** S$'000	**Retained earnings** S$'000	**Total** S$'000
Balance at 1 January 2009	131,237	(518)	3,733	14,547	2,525	58,278	209,802
Total comprehensive income for the financial year	–	–	(7,161)	–	–	37,541	30,380
Transfer to PRC statutory reserve	–	–	–	3,687	–	(3,687)	–
Issue of shares – Placement	89,459	–	–	–	–	–	89,459
Dividends (Note 14)	–	–	–	–	–	(9,344)	(9,344)
Share-based payment expense	–	–	–	–	537	–	537
Balance at 31 December 2009 and 1 January 2010	220,696	(518)	(3,428)	18,234	3,062	82,788	320,834
Total comprehensive income for the financial year	–	–	(16,774)	–	–	48,508	31,734
Transfer to PRC statutory reserve	–	–	–	4,425	–	(4,425)	–
Issue of shares							
– Secondary listing on the Stock Exchange of Hong Kong Limited	213,022	–	–	–	–	–	213,022
– Option shares	129	–	–	–	–	–	129
Transfer of option reserve to share capital upon exercise of ESOS	27	–	–	–	(27)	–	–
Dividends (Note 14)	–	–	–	–	–	(7,866)	(7,866)
Share-based payment expense	–	–	–	–	58	–	58
Balance at 31 December 2010	433,874	(518)	(20,202)	22,659	3,093	119,005	557,911

The accompanying notes form an integral part of these financial statements.

| CONSOLIDATED STATEMENT OF CASH FLOWS |

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	Note	2010 S$'000	2009 S$'000
Cash flows from operating activities			
Profit before income tax expense		**59,753**	46,481
Profit before tax from discontinued operations		**–**	384
		59,753	46,865
Adjustments for:			
Depreciation of property, plant and equipment		**9,639**	10,503
Write-off of property, plant and equipment		**37**	–
Write-back of allowance for doubtful trade receivables		**–**	(212)
Bad debts written off		**–**	415
Amortisation of prepaid rental and land use rights		**495**	341
Loss on disposal of property, plant and equipment, net		**10**	150
Impairment loss on property, plant and equipment		**120**	1,205
Write down of obsolete inventories		**–**	180
Share-based payment expense		**58**	537
Share of profits of an associate		**(9,261)**	(3,314)
Interest expenses		**777**	602
Interest income		**(530)**	(144)
Operating profit before changes in working capital		**61,098**	57,128
Changes in working capital:			
Increase in inventories		**(19,430)**	(2,221)
(Increase)/Decrease in trade and other receivables		**(41,800)**	14,153
Increase/(Decrease) in trade and other payables		**23,358**	(16,899)
Cash generated from operations		**23,226**	52,161
Interest paid		**(777)**	(602)
Interest received		**530**	144
Income tax paid		**(8,999)**	(9,214)
Net cash from operating activities		**13,980**	42,489
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		**3**	1,522
Purchase of property, plant and equipment	16	**(100,322)**	(99,435)
Net decrease/(increase) in restricted bank deposits		**542**	(11,958)
Purchase of land use rights		**–**	(16,256)
Investment in available-for-sale financial assets		**–**	(411)
Interest paid and capitalised	16	**(6,870)**	(2,646)
Net cash used in investing activities		**(106,647)**	(129,184)

The accompanying notes form an integral part of these financial statements.

| CONSOLIDATED STATEMENT OF CASH FLOWS |

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

	Note	2010 S$'000	2009 S$'000
Cash flows from financing activities			
Net proceeds from issuance of ordinary shares		**213,151**	89,459
Dividends paid		**(10,277)**	(9,044)
Proceeds from bank borrowings		**206,901**	114,479
Repayment of bank borrowings		**(166,380)**	(38,260)
Net cash from financing activities		**243,395**	156,634
Net increase in cash and cash equivalents		**150,728**	69,939
Cash and cash equivalents at beginning of the financial year		**101,223**	32,406
Net effect of exchange rate changes in cash and cash equivalents		**(7,229)**	(1,122)
Cash and cash equivalents at end of the financial year, comprising bank balances and cash	25	**244,722**	101,223

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying consolidated financial statements.

1. General

Midas Holdings Limited (the "Company") (Registration Number: 200009758W) is a public limited liability company incorporated and domiciled in Singapore with its registered office and principal place of business at No. 2 Shenton Way, #04-01 SGX Centre 1, Singapore 068804. The Company is listed on the Main Board of the Singapore Exchange Securities Trading Limited and the Main Board of the SEHK.

The principal activity of the Company is that of an investment holding.

The principal activities of the subsidiaries are set out in Note 18 to the consolidated financial statements.

The consolidated financial statements relate to the Company and its subsidiaries (hereinafter known as the "Group") and the Group's interests in an associate.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements have been drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act"), the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the listing of securities on the Stock Exchange of Hong Kong Limited, and Singapore Financial Reporting Standards ("FRS") including related Interpretations of FRS ("INT FRS") issued by the Singapore Accounting Standards Council. The consolidated financial statements are prepared under the historical cost convention, except as disclosed in the accounting policies below.

The Company completed the listing of 220,000,000 new ordinary shares in the capital of the Company at the offer price of HK$5.43 for each new share on the Stock Exchange (the "Hong Kong Listing") during the current financial year ended 31 December 2010. The new shares were listed and quoted on the Stock Exchange with effect from 9:30am on 6 October 2010. As disclosed in the listing prospectus for the Hong Kong Listing, the Directors of the Company (the "Directors") indicated an intention to prepare the Company's financial statements in accordance with the International Financial Reporting Standards ("IFRS") subsequent to the Hong Kong Listing and that the Company would apply to the Accounting and Corporate Regulatory Authority of Singapore ("ACRA") to seek approval to prepare its financial statements in accordance with IFRS instead of FRS.

Subsequent to the Hong Kong Listing, the Company submitted its application to ACRA in this regard. At the same time, the Company also made further enquiries with the Stock Exchange with regards to whether the Company should adopt IFRS or FRS; the Stock Exchange has agreed to accept that the Group's financial statements could be prepared in accordance with FRS, on the condition that the Company would include in its financial reports a reconciliation of its consolidated financial statements in accordance with IFRS, with a narrative description of the major differences between the two standards, in a form that facilitates investors' understanding of the Company's financial performance. The Company has informed ACRA of the outcome of their enquiry with the Stock Exchange, but has yet to receive ACRA's decision on the Company's application to prepare its consolidated financial statements in accordance with IFRS.

Therefore, the current set of consolidated financial statements for the financial year ended 31 December 2010 is prepared in accordance with FRS and the Company has included a reconciliation of its consolidated financial statements in accordance with IFRS in note 40 to the consolidated financial statements. In the future, should the approval from ACRA be granted, the financial statements of the Group will be prepared in accordance with IFRS. However, in the event that the approval from ACRA is not granted, the financial statements of the Group will continue to be prepared in accordance with FRS, with a reconciliation of its financial statements in accordance with IFRS and a narrative description of the major differences between the two standards if any, that is relevant to the preparation of the consolidated financial statements of the Group, in a form that facilitates investors' understanding of the Company's financial performance.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position of the Company are presented in Singapore dollar ("S$") which is the functional currency of the Company and the presentation currency for the consolidated financial statements and all values presented are rounded to the nearest thousand ("$'000"), unless otherwise stated.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

The preparation of consolidated financial statements in conformity with FRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3 to the consolidated financial statements.

In the current financial year, the Group has adopted all the new and revised FRS and INT FRS that are relevant to its operations and effective for the current financial year. The adoption of these new/revised FRS and INT FRS does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior years.

FRS and INT FRS issued but not yet effective

At the date of authorisation of these statements, the following FRS and INT FRS that are relevant to the Group were issued but not effective:

		Effective date (annual periods beginning on or after)
FRSs (Amendments)	Improvements to FRSs 2010	1 July 2010 and/or 1 January 2011
FRS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets	1 January 2012
FRS 24	Related Party Disclosures	1 January 2011
FRS 32	Amendment to Financial Instruments: Recognition and Measurement – Classification of Rights Issues	1 February 2010
FRS 107 (Amendments)	Disclosures – Transfer of Financial Assets	1 July 2011
INT FRS 119	Extinguishing Financial Liabilities with Equity Instruments	1 July 2010

Consequential amendments were also made to various standards as a result of these new/revised standards.

The management anticipates that the adoption of the above FRS and INT FRS in future periods will not have a material impact on the financial statements of the Group in the period of their initial adoption, except as disclosed below:

FRS 24 (2010) Related Party Disclosures

FRS 24 (2010) changes certain requirements for related party disclosures for entities under control, joint control or significant influence of a government ("government-related entities"). FRS 24 (2010) also made related party relations symmetrical between each of the related parties and new relationship were included and clarified in the definition of a related party. The Group will apply the amendments to FRS 24 retrospectively for annual periods beginning on or after 1 January 2011 and is currently determining the impact of the changes to the definition of a related party on the related disclosures. As this is a disclosure standard, it will have no impact on the financial position or financial performance of the Company or the Group when implemented in 2011.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Inter-company transactions and balances between group companies are eliminated in full on consolidation.

On acquisition of subsidiaries, the assets and liabilities of the relevant subsidiaries are measured at their fair values at the date of acquisition. Non-controlling interest, if any, is initially measured at the non-controlling interest's proportionate share of the fair values of the acquiree's identifiable assets and liabilities.

2. Summary of significant accounting policies (Continued)

2.2 Basis of consolidation (Continued)

The results of subsidiaries acquired or disposed of during the financial year are included in the consolidated statements of comprehensive income from the effective dates of acquisition or up to the effective dates of disposal, as appropriate.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies.

2.3 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The cost of property, plant and equipment comprises its purchase price and any direct attributable cost of bringing the property, plant and equipment to the location and condition necessary for its intended use. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as an expense in profit or loss during the financial period in which they are incurred.

Depreciation is charged so as to write off the cost of property, plant and equipment to their residual values over their estimated useful lives, using the straight-line method on the following bases:

	Annual depreciation rates
Buildings and improvements	3% to 5%
Plant, equipment and mould	5% to 20%
Motor vehicles	10% to 20%
Office equipment	10%

Construction in progress is stated at cost less impairment losses. Cost comprises direct costs of construction as well as borrowing costs capitalised during the periods of construction and installation. Capitalisation of these costs ceases and the construction in progress is transferred to the appropriate class of property, plant and equipment when substantially all the activities necessary to prepare the assets for their intended use are completed. No depreciation is provided for in respect of construction in progress until it is completed and ready for its intended use.

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss.

Fully depreciated items are retained in the financial statement until they are no longer in use.

2.4 Subsidiaries

Subsidiaries are entities over which the Company has power to govern the financial and operating policies, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

Investments in subsidiaries are accounted for at cost in the statements of financial position of the Company less any accumulated impairment losses.

2. Summary of significant accounting policies (Continued)

2.5 Associate

An associate is an entity over which the Group has significant influence, but not control, and generally accompanied by a shareholding giving rise to between and including 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associate are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after assessment, is recognised immediately in profit or loss.

Where a Group entity transacts with an associate of the Group, profit and losses are eliminated to the extent of the Group's interest in the relevant associate.

The financial statements of the associate are prepared as of the same reporting date as the Company.

In the Company's statement of financial position, investment in associate is carried at cost less accumulated impairment losses.

2.6 Land use right

Land use right is carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated on the straight-line basis to write off the cost of land use right over the lease terms.

2.7 Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- land use right; and
- interests in subsidiaries and an associate.

If any such indication of impairment loss exists, the asset's recoverable amount is estimated. Recoverable amount is determined for individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. The fair value less costs to sell is the amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction between knowledgeable, willing parties, less costs of disposal. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life, discounted at a pre-tax rate that reflects current market assessments of the time value of the money and the risks specific to the asset or cash-generating unit for which the future cash flow estimates have not been adjusted.

2. Summary of significant accounting policies (Continued)

2.7 Impairment of non-financial assets (Continued)

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised as income immediately.

2.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis. Cost includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business less all estimated cost of completion and cost to be incurred in marketing, selling and distribution.

2.9 Financial instruments

Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets

All financial assets are recognised on a trade date where the purchase of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

The Group classifies its financial assets as loans and receivables and available-for-sale financial assets. The classification depends on the nature and purpose of these financial assets, which are initially measured at fair value plus transaction costs that are directly attributable to the acquisition.

Loans and receivables

These assets, including trade receivables, loans and other receivables, are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade receivables), and also incorporate other types of contractual monetary asset. Subsequent to initial recognition, they are carried at amortised cost using the effective interest method, less any identified impairment losses.

Available-for-sale financial assets

These assets are non-derivative financial assets that are designated as available-for-sale or are not included in other categories of financial assets. Subsequent to initial recognition, these assets are carried at fair value with changes in fair value recognised in other comprehensive income until the financial asset is derecognised, except for impairment losses, foreign exchange gains and losses on monetary instruments, which are recognised in profit or loss.

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, they are measured at cost less any identified impairment losses.

2. Summary of significant accounting policies (Continued)

2.9 Financial instruments (Continued)

Impairment loss on financial assets

The Group assesses, at the end of each reporting period, whether there is any objective evidence that financial asset is impaired. Financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- granting concession to a debtor because of the debtor's financial difficulty; or
- it becoming probable that the debtor will enter bankruptcy or other financial restructuring.

For loans and receivables

An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. The carrying amount of a financial asset is reduced through the use of an allowance account. When any part of a financial asset is determined as uncollectible, it is written off against the allowance account for the relevant financial asset.

Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

For available-for-sale financial assets

Where a decline in the fair value constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognised in profit or loss.

Any impairment losses on available-for-sale debt investments are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

For available-for-sale equity investment, any increase in fair value subsequent to an impairment loss it recognised directly in other comprehensive income.

For available-for-sale equity investment that is carried at cost, the amount of impairment loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss shall not be reversed.

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

2. Summary of significant accounting policies (Continued)

2.9 Financial instruments (Continued)

Financial liabilities

Financial liabilities include trade and other payables and bank borrowings. They are initially recognised at fair value, net of directly attributable transaction costs incurred and subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant periods. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

Equity instruments and treasury shares

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

When shares recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in the statement of comprehensive income on the purchase, sale issue or cancellation of treasury shares.

When treasury shares are subsequently cancelled, the cost of treasury shares is deducted against the share capital account if the shares are purchased out of capital of the Company, or against the accumulated profits of the Company if the shares are purchased out of profits of the Company.

When treasury shares are subsequently sold or reissued pursuant to the employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve of the Company.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds receivables.

The Group derecognises financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or they expire. On derecognition of a financial liability, the difference between the carrying amount and consideration paid is recognised in profit or loss.

2. Summary of significant accounting policies (Continued)

2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

2.11 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2.12 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

Revenue from the sale of goods is recognised when the Group has transferred to the buyer the significant risks and rewards of ownership of the goods and retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Commission income is recognised on the rendering of agency related services.

Dividend income from investments is recognised when the shareholders' right to receive payment has been established.

2.13 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

2. Summary of significant accounting policies (Continued)

2.14 Operating leases

When the Group is the lessee:

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the period of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases, if any, are recognised as an expense in the period in which they are incurred.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2.15 Employee benefits

Defined contribution plans

The Company makes contributions to the Central Provident Fund ("CPF") Scheme in Singapore, a defined contribution pension scheme. Contributions to national pension schemes are recognised as an expense in the period in which the related service is performed.

Pursuant to the relevant regulations of the People's Republic of China ("PRC") government, the subsidiaries in the PRC have each participated in a local municipal government retirement benefits scheme (the "Scheme"), whereby the subsidiaries in the PRC are required to contribute a certain percentage of the basic salaries of its employees to the Scheme to fund their retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of the subsidiaries in the PRC. The only obligation of the Group with respect to the Scheme is to pay the ongoing required contributions under the Scheme mentioned above.

Contributions under the Scheme are recognised as an expense as incurred. There is no provision under the Scheme whereby forfeited contributions may be used to reduce future contributions.

Share-based payment

The Group operates an equity-settled share-based compensation plan.

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss with a corresponding increase in the share option reserve over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at the end of each reporting period so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also recognised as an expense over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the fair value of goods and services received is recognised in profit or loss unless the goods or services qualify for recognition as an asset.

2. Summary of significant accounting policies (Continued)

2.15 Employee benefits (Continued)

Share-based payment (Continued)

Fair value is measured using the Hull-White pricing model. Under this pricing model, the fair value takes into account the impact of events, such as the early exercise of options by employees or employee exit rates after vesting, which occur during the term of the option. The exit rate is defined as the probability that an employee will leave the Company during the vesting period. The Hull-White model also incorporates the employee's early exercise strategy or possibility of the employee's termination after the vesting period. It assumes that early exercise may occur when the stock price is a certain multiple of the exercise price. The exercise multiple is defined as the average ratio of the stock price to the exercise price at the time of exercise.

2.16 Income tax expense

Income tax expense for the year comprises current and deferred taxes. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income, in which case such income tax is recognised in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the financial year, using tax rates enacted or substantively enacted by the end of each reporting period, and any adjustment to income tax payable in respect of previous year.

Deferred tax is provided using the liability method for temporary differences at the end of each reporting period between the carrying amounts and tax bases of assets and liabilities in the financial statements. The amount of deferred tax provided is based on the manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted by the end of each reporting period. Deferred tax liabilities are generally recognised for all taxable temporary differences.

A deferred tax liability is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against tax liabilities when they relate to income taxes levied by the same tax authority and the Group intends to settle its current tax assets and liabilities on a net basis.

2.17 Dividends

Dividends are recognised when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which the dividends are approved by the shareholders.

Dividends proposed or declared after the end of each reporting period, are not recognised as a liability at the end of each reporting period.

2. Summary of significant accounting policies (Continued)

2.18 Foreign currencies

Transactions entered into by group entities in currencies other than the currency of the primary economic environment in which it operates (the "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of each reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income, in which case, the exchange differences are also recognised directly in other comprehensive income.

On consolidation, the results of foreign operations are translated into the presentation currency of the Group (i.e. Singapore dollar) at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of each reporting period. The exchange differences arising on the translation are recognised directly in other comprehensive income and accumulated as foreign currency translation reserve. Exchange differences recognised in profit or loss of group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the foreign operation concerned are reclassified to the foreign currency translation reserve.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign currency translation reserve relating to that operation up to the date of disposal are reclassified to profit or loss as part of the profit or loss on disposal.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in Note 2, management made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources. The estimates and associated assumptions were based on historical experience and other factors that were considered to be reasonable under the circumstances. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Critical judgements made in applying the accounting policies

The following are the critical judgements that the management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

(i) Impairment of financial assets

The Group follows the guidance of FRS 39 "Financial Instruments: Recognition and Measurement" on determining whether a financial asset is impaired. This determination requires significant judgement. The Group evaluates, among other factors, the duration and extent to which the fair value of a financial asset is less than its cost and the financial health of and near-term business outlook for the financial asset, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

3.1 Critical judgements made in applying the accounting policies (Continued)

(ii) Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(i) Depreciation of property, plant and equipment

These assets are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these assets to be within 5 to 30 years. The carrying amounts of the Group's property, plant and equipment as at 31 December 2010 and 2009 were approximately S$272,152,000 and S$194,605,000 respectively. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) Income taxes

The Group has exposure to income taxes in the People's Republic of China ("PRC") and Singapore. Due to its inherent nature, judgement is involved in determining the Group's provisions for income taxes.

The Group recognised liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provision in the financial year in which such determination is made. The carrying amounts of the Group's current tax liabilities as at 31 December 2010 and 2009 were approximately S$3,029,000 and S$783,000 respectively.

(iii) Equity-settled share-based payments

The charge for equity-settled share-based payment is calculated in accordance with estimates and assumptions which are described in note 33 to the financial statements. The option valuation model used requires highly subjective assumptions to be made including the future volatility of the Company's share price, expected dividend yields, risk-free interest rates and expected staff turnover. The management draws upon a variety of external sources to aid them in determination of the appropriate data to use in such calculations. The carrying amounts of share-based payments expense for the Group and Company for the financial year ended 31 December 2010 and 2009 were S$58,000 and S$537,000 respectively.

4. Revenue

Revenue of the Group is as follows:

	2010 S$'000	2009 S$'000
Continuing operations		
Sales of aluminium extrusion products	**199,656**	143,030
Sales of polyethylene pipes	**7,757**	6,963
	207,413	149,993
Discontinued operations		
Agency and procurement of aluminium alloy, polyethylene pipes and related products	**–**	954
	207,413	150,947

5. Segment information

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

In the financial year ended 31 December 2009, the Agency and Procurement Division has discontinued its operations. All the segments are managed separately as each business offers different products and services and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

- Aluminium Alloy Division – manufacturing and sale of aluminium alloy extrusion products;
- Polyethylene Pipe Division – manufacturing and sale of polyethylene pipes; and
- Agency and Procurement Division – agency and procurement of aluminium alloy, polyethylene pipes and other related products (discontinued in 2009).

Central revenue and expenses are not allocated to the operating segments as they are not included in the measure of the segments' profit that is used by the chief operating decision-makers for assessment of segment performance.

5. Segment information (Continued)

	Continuing operations				Discontinued operations	
	Aluminium Alloy Division	Polyethylene Pipe Division	Unallocated	Total	Agency & Procurement Division	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
2010						
Revenue	**199,656**	**7,757**	**–**	**207,413**	**–**	**207,413**
Result						
Segment result	**55,205**	**482**	**–**	**55,687**	**–**	**55,687**
Unallocated corporate expenses	**–**	**–**	**(3,310)**	**(3,310)**	**–**	**(3,310)**
Finance costs	**(1,742)**	**(142)**	**(1)**	**(1,885)**	**–**	**(1,885)**
Share of profits of an associate	**–**	**–**	**9,261**	**9,261**	**–**	**9,261**
Profit before income tax expense	**53,463**	**340**	**5,950**	**59,753**	**–**	**59,753**
Other information						
Impairment loss on property, plant and equipment	**(120)**	**–**	**–**	**(120)**	**–**	**(120)**
Additions of property, plant and equipment	**107,142**	**39**	**11**	**107,192**	**–**	**107,192**
Depreciation of property, plant and equipment	**(8,836)**	**(773)**	**(30)**	**(9,639)**	**–**	**(9,639)**
Amortisation of land use rights and prepaid rental	**(478)**	**(17)**	**–**	**(495)**	**–**	**(495)**
2009						
Revenue	143,030	6,963	–	149,993	954	150,947
Result						
Segment result	46,732	497	–	47,229	385	47,614
Unallocated corporate expenses	–	–	(3,253)	(3,253)	–	(3,253)
Finance costs	(636)	(173)	–	(809)	(1)	(810)
Share of profits of an associate	–	–	3,314	3,314	–	3,314
Profit before income tax expense	46,096	324	61	46,481	384	46,865
Other information						
Impairment loss on property, plant and equipment	(1,205)	–	–	(1,205)	–	(1,205)
Additions of property, plant and equipment	102,040	23	1	102,064	17	102,081
Depreciation of property, plant and equipment	(9,549)	(857)	(3)	(10,409)	(94)	(10,503)
Amortisation of land use rights and prepaid rental	(323)	(18)	–	(341)	–	(341)

5. Segment information (Continued)

	Continuing operations				Discontinued operations	
	Aluminium Alloy Division	Polyethylene Pipe Division	Unallocated	Sub-total	Agency & Procurement Division	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
2010						
Assets						
Segment assets	**588,964**	**37,555**	**64,688**	**691,207**	**–**	**691,207**
Interest in an associate	**–**	**–**	**39,425**	**39,425**	**–**	**39,425**
	588,964	**37,555**	**104,113**	**730,632**	**–**	**730,632**
Liabilities						
Segment liabilities	**170,252**	**1,790**	**679**	**172,721**	**–**	**172,721**
2009						
Assets						
Segment assets	357,712	34,240	8,975	400,927	311	401,238
Interest in an associate	–	–	33,414	33,414	–	33,414
	357,712	34,240	42,389	434,341	311	434,652
Liabilities						
Segment liabilities	108,081	3,159	2,536	113,776	42	113,818

The following is an analysis of the Group's revenue from continuing operations from its major customers during the financial year. These revenue are attributable to the Aluminium Alloy Division.

	2010	2009
	S$'000	S$'000
Customer A	**44,142**	23,736
Customer B	**72,002**	21,855
Customer C	**21,371**	16,109
Customer D	**1,702**	15,923

6. Other operating income

	2010 S$'000	2009 S$'000
Continuing operations		
Commission income	–	101
Foreign exchange (loss)/gain	(342)	348
Income from disposal of scrap materials	607	306
Interest income	530	144
Reinvestment tax refunds (note i)	–	692
Sundry income	237	307
	1,032	1,898

Note:
(i) There are no unfulfilled conditions or contingencies relating to the reinvestment tax refunds.

7. Profit before income tax expense

(a) Profit before income tax expense is arrived at after charging/(crediting):

	2010 S$'000	2009 S$'000
Depreciation of property, plant and equipment	9,639	10,409
Auditors' remuneration	230	208
Write off of property, plant and equipment	37	–
Write-back of allowance for doubtful trade receivables	–	(212)
Bad debts written off	–	415
Amortisation of prepaid rental and land use rights	495	341
Loss on disposal of property, plant and equipment, net	10	150
Impairment loss on property, plant and equipment	120	1,205
Write down of obsolete inventories	–	180
Operating lease rentals – properties	195	219

7. Profit before income tax expense (Continued)

(b) Discontinued operations

In March 2009, the Group ceased its business of agency and procurement division. The sales, results and cash flows of agency and procurement division were as follows:

	2009 S$'000
Profit for the financial year from discontinued operations	
Revenue (Note 4)	954
Cost of sales	(178)
Gross profit	776
Administrative expenses	(391)
Finance costs	(1)
Profit before income tax expense	384
Income tax expense	(102)
Profit for the financial year from discontinued operations	282
Cash flows from discontinued operations	
Net cash outflows from operating activities	(1,384)
Net cash outflows from investing activities	(9)
Net cash outflows	(1,393)

8. Staff costs

	2010 S$'000	2009 S$'000
Continuing operations		
Staff costs (including Directors' emoluments) comprise:		
Salaries, allowance and bonuses	**10,554**	6,514
Contribution to defined contributions plans	**1,541**	1,202
Share-based payment expense (Note 33)	**58**	537
	12,153	8,253

9. Finance costs

	2010 S$'000	2009 S$'000
Continuing operations		
Interest on bank borrowings		
Wholly repayable within five years	**4,752**	2,848
Not wholly repayable within five years	**2,566**	119
	7,318	2,967
Bank charges	**1,107**	207
Interest on discounted notes receivables	**330**	281
Total borrowing costs	**8,755**	3,455
Less: Amount capitalised (Note i)	**(6,870)**	(2,646)
	1,885	809

Note:

(i) Borrowing costs capitalised during the financial years arose on the specific and general borrowing pools. The borrowing costs capitalised arose on the general borrowing pools are calculated by applying a capitalisation rate of 5.17% (2009:5.59%) to expenditure on qualifying assets for the financial year ended 31 December 2010.

10. Directors' emoluments

The aggregate amounts of Directors' emoluments are as follows:

	For the financial year ended 31 December 2010				
	Fee S$'000	Retirement benefits scheme contribution S$'000	Other emoluments (mainly basic salaries and allowances) S$'000	Equity-settled share-based payment expenses S$'000	Total S$'000
Executive Directors					
Chen Wei Ping	–	8	576	–	584
Chew Hwa Kwang, Patrick	–	8	486	–	494
Independent non-executive Directors					
Chew Chin Hua	40	–	–	2	42
Chan Soo Sen	40	–	–	2	42
Xu Wei Dong	40	–	–	–	40
Non-Executive Directors					
Tong Wei Min, Raymond[(1)]	40	–	–	2	42
	160	16	1,062	6	1,244

10. Directors' emoluments (Continued)

	For the financial year ended 31 December 2009				
	Fee S$'000	Retirement benefits scheme contribution S$'000	Other emoluments (mainly basic salaries and allowances) S$'000	Equity-settled share-based payment expenses S$'000	Total S$'000
Executive Directors					
Chen Wei Ping	–	8	447	–	455
Chew Hwa Kwang, Patrick	–	8	378	–	386
Independent non-executive Directors					
Chew Chin Hua	40	–	–	25	65
Chan Soo Sen	40	–	–	25	65
Non-Executive Director					
Tong Wei Min, Raymond[(1)]	40	–	–	25	65
	120	16	825	75	1,036

Note (1): Tong Wei Min, Raymond, resigned on 30 November 2010.

There were no amounts paid to the Directors as an inducement to join or upon joining the Group or as compensation for loss of office. Also, there was no arrangement under which a Director waived or agreed to waive any remuneration during the financial year.

11. Five highest paid individuals

Of the five highest paid individuals, Chen Wei Peng and Chew Hwa Kwang, Patrick during the financial year, are Directors whose emoluments are set out in note 10 above. The emoluments paid or payable to the remaining individuals for the financial year are as follows:

	2010 S$'000	2009 S$'000
Salaries, allowance and benefits in kind	**468**	395
Performance related bonuses	**371**	137
Contribution to defined contributions plan	**21**	24
Share-based payment expense	**18**	194
	878	750

An analysis of their emoluments by number of employee and emolument range is set out below:

	2010	2009
Nil to HK$1,000,000	**–**	–
HK$1,000,001 – HK$1,500,000	**–**	2
HK$1,500,001 – HK$2,000,000	**3**	1

12. Income tax expense

	2010 S$'000	2009 S$'000
Continuing operations		
Current – Singapore		
Provision for income tax for the financial year	**–**	90
Withholding tax arising from dividends declared by PRC's subsidiaries	**1,242**	–
Current – PRC		
Provision for income tax for the financial year	**9,749**	8,844
Under provision for income tax in prior financial years	**254**	288
Income tax expense	**11,245**	9,222

Reconciliation of effective tax rate is as below:

	2010 S$'000	2009 S$'000
Profit before income tax expense	**59,753**	46,481
Income tax calculated at statutory tax rate of 17% (2009: 17%)	**10,158**	7,902
Effect of different tax rates of overseas operations	**4,286**	3,714
Tax effect of share of profits of an associate	**(1,574)**	(563)
Tax effect of expenses not deductible for tax purposes	**557**	539
Effect of tax concession of a subsidiary	**(3,672)**	(2,658)
Permanent difference not recognised	**(6)**	–
Provision for income tax for the financial year	**9,749**	8,934
Withholding tax arising from dividends declared by PRC's subsidiaries	**1,242**	–
Under provision for income tax in prior financial years	**254**	288
Income tax expense	**11,245**	9,222

The Company is incorporated in Singapore and accordingly, is subject to income tax rates of 17% (2009: 17%).

Pursuant to the income tax rules and regulations of the PRC, PRC subsidiaries are liable to PRC enterprise income tax at a rate of 25% during the year ended 31 December 2010 (2009: 25%) except for the following:

- Jilin Midas is entitled to exemption from PRC enterprise income tax for its profit derived from its second production line for the two years commencing from its first profit making year in 2006, followed by a 50% reduction in PRC enterprise income tax for the next three years till 2010.

Under the PRC tax law, dividends received by foreign investors from its investment in foreign-invested enterprises in respect of its profits earned since 1 January 2008 are subject to withholding tax at a rate of 10% unless reduced by treaty. Pursuant to a tax arrangement between the PRC and Singapore, the investment holding companies established in Singapore are subject to a reduced withholding tax rate of 5% on dividends they received from their PRC subsidiaries.

13. Profit for the financial year

The consolidated profit for the financial year includes a loss of S$4,310,000 (2009: S$3,351,000) which has been dealt with in the financial statements of the Company.

14. Dividends

	2010 S$'000	2009 S$'000
Final dividend of S$0.0025 per share paid in respect of the financial year ended 2008 under the exempt-1-tier system	–	2,111
2009 first and second interim tax-exempt dividends of S$0.0025 per ordinary share under the exempt-1-tier system	–	4,822
2009 third interim tax-exempt dividends of S$0.0025 per ordinary share under the exempt-1-tier system	–	2,411
Final dividend of S$0.0025 per share paid in respect of the financial year ended 2009 under the exempt-1-tier system	**2,411**	–
2010 first and second interim tax-exempt dividends of S$0.0025 per ordinary share under the exempt-1-tier system	**5,455**	–
	7,866	9,344

Subsequent to the end of the financial year, the Board proposed a final tax-exempt dividend[#] of S$0.005 (2009: S$0.0025) per ordinary share, amounting to S$6,088,000 (2009: S$2,411,000) under the exempt-1-tier system. The proposed final dividends had not been recognised as a liability at the end of reporting period.

[#] With effect from 1 January 2003, Singapore has adopted a one-tier corporate tax system under which tax paid by a resident company on its chargeable income is a final tax. All dividends paid are tax exempt in the hands of its shareholders. There is no withholding tax on dividend payments to all shareholders.

15. Earnings per share

The calculation of the basic and diluted earnings per share attributable to equity holders of the Company is based on the following data:

	2010 S$'000	2009 S$'000
Earnings		
Profit arising from continuing operations attributable to equity holders of the Company	**48,508**	37,259
Profit arising from discontinued operations attributable to equity holders of the Company	–	282
Earnings for the purpose of basic earnings per share, being profit for the year attributable equity holders of the Company	**48,508**	37,541

	2010 '000	2009 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,023,247**	897,299
Effect of dilutive potential ordinary shares:		
Effects of dilution – share options	**4,276**	1,410
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,027,523**	898,709

15. Earnings per share (Continued)

	2010 S cents	2009 S cents
Basic earnings per share	**4.74**	4.18
– from continuing operations	**4.74**	4.15
– from discontinued operations	**–**	0.03
Diluted earnings per share	**4.72**	4.18
– from continuing operations	**4.72**	4.15
– from discontinued operations	**–**	0.03

A batch of 4,000,000 (2009: 7,000,000) share options did not have dilutive effect on the Group's earnings per share because the average market price per ordinary share of the Company during the financial year was below the exercise price of the share option granted.

16. Property, plant and equipment

The Group	Buildings and improvements S$'000	Plant, equipment and mould S$'000	Motor vehicles S$'000	Office equipment S$'000	Construction-in-progress S$'000	Total S$'000
Cost						
Balance at 1 January 2010	40,351	86,351	1,798	1,855	104,499	234,854
Exchange differences	(3,850)	(5,454)	(104)	(94)	(5,168)	(14,670)
Additions	511	8,495	492	184	97,510	107,192
Transfers#	60,494	30,170	–	–	(98,118)	(7,454)
Disposals	–	(56)	–	–	–	(56)
Written off	–	(45)	–	(94)	–	(139)
Balance at 31 December 2010	97,506	119,461	2,186	1,851	98,723	319,727
Accumulated depreciation and impairment loss						
Balance at 1 January 2010	4,675	33,517	538	1,519	–	40,249
Exchange differences	(272)	(1,895)	(33)	(88)	–	(2,288)
Depreciation for the financial year	1,340	7,927	198	174	–	9,639
Disposals	–	(43)	–	–	–	(43)
Written off	–	(18)	–	(84)	–	(102)
Impairment loss for the financial year	–	120	–	–	–	120
Balance at 31 December 2010	5,743	39,608	703	1,521	–	47,575
Carrying amount						
At 31 December 2010	91,763	79,853	1,483	330	98,723	272,152

During the financial year ended 31 December 2010, land use rights of approximately S$7,454,000 had been transferred from construction-in-progress to Land Use Rights (Note 17).

16. Property, plant and equipment (Continued)

The Group	Buildings and improvements S$'000	Plant, equipment and mould S$'000	Motor Vehicles S$'000	Office equipment S$'000	Construction-in-progress S$'000	Total S$'000
Cost						
Balance at 1 January 2009	24,188	77,196	2,003	1,810	39,840	145,037
Exchange differences	(1,224)	(2,378)	(46)	(49)	(3,386)	(7,083)
Additions	1,664	8,242	844	121	91,210	102,081
Transfers	15,723	6,363	–	–	(22,086)	–
Disposals	–	(3,072)	(1,003)	(27)	(1,079)	(5,181)
Balance at 31 December 2009	40,351	86,351	1,798	1,855	104,499	234,854
Accumulated depreciation and impairment loss						
Balance at 1 January 2009	3,969	27,086	725	1,403	–	33,183
Exchange differences	(130)	(952)	(12)	(39)	–	(1,133)
Depreciation for the financial year	836	9,236	255	176	–	10,503
Transfers	–	(5)	–	5	–	–
Disposals	–	(3,053)	(430)	(26)	–	(3,509)
Impairment loss for the financial year	–	1,205	–	–	–	1,205
Balance at 31 December 2009	4,675	33,517	538	1,519	–	40,249
Carrying amount						
At 31 December 2009	35,676	52,834	1,260	336	104,499	194,605

16. Property, plant and equipment (Continued)

The Group's land and buildings, included above at cost and land use right (note 17), were valued at S$90.6 million as at 31 July 2010 in the Prospectus. Had the Group's land and buildings been included in these consolidated financial statements at this valuation amount throughout the year ended 31 December 2010, an additional depreciation charge and amortisation of approximately S$0.3 million would been charged to the consolidated statement of comprehensive income for the year ended 31 December 2010.

During the financial year, the Group carried out annual review of the recoverable amount of its plant, equipment and mould, which led to the recognition of an impairment loss of approximately S$120,000 (2009: S$1,205,000) that has been recognised in the profit or loss, and included in the cost of sales. The recoverable amount of the relevant assets has been determined on the basis of their fair value less cost to sell.

As at 31 December 2010 and 2009, certain property, plant and equipment with net book value of approximately S$116,801,000 and S$65,157,000 respectively were pledged as securities for bank borrowings (note 27). The borrowing costs of S$6,870,000 (2009: S$2,646,000) had been capitalised into construction-in-progress for the year ended 31 December 2010.

The Company	Buildings and improvements S$'000	Office equipment S$'000	Total S$'000
Cost			
Balance at 1 January 2010	**5**	**13**	**18**
Additions	**–**	**10**	**10**
Balance at 31 December 2010	**5**	**23**	**28**
Accumulated depreciation			
Balance at 1 January 2010	**5**	**10**	**15**
Depreciation for the financial year	**–**	**4**	**4**
Balance at 31 December 2010	**5**	**14**	**19**
Carrying amount			
At 31 December 2010	**–**	**9**	**9**
Cost			
Balance at 1 January 2009	5	39	44
Additions	–	1	1
Disposals	–	(27)	(27)
Balance at 31 December 2009	5	13	18
Accumulated depreciation			
Balance at 1 January 2009	5	33	38
Depreciation for the financial year	–	3	3
Disposals	–	(26)	(26)
Balance at 31 December 2009	5	10	15
Carrying amount			
At 31 December 2009	–	3	3

17. Land use rights

The Group	2010 S$'000	2009 S$'000
Cost		
Balance at beginning of the financial year	**19,010**	3,406
Exchange differences	**(1,169)**	(652)
Transfer from property, plant and equipment (Note 16)	**7,454**	–
Additions	**–**	16,256
Balance at end of the financial year	**25,295**	19,010
Accumulated amortisation		
Balance at beginning of the financial year	**725**	407
Exchange differences	**(52)**	(23)
Amortisation for the financial year	**495**	341
Balance at end of the financial year	**1,168**	725
Carrying amount		
At end of the financial year	**24,127**	18,285

The amount represents cost of the land use rights in respect of land located in the PRC under medium term leases, where certain of the Group's property, plant and equipment and properties under development are built on.

As at 31 December 2010, land use rights with net book value of approximately S$23,475,000 (2009: S$17,582,000) were pledged as securities for bank borrowings (note 27).

18. Interests in subsidiaries

The Company	2010 S$'000	2009 S$'000
Unquoted equity shares, at cost	**9,682**	9,682
Amounts due from subsidiaries	**345,437**	179,084
	355,119	188,766

The amounts due from subsidiaries form part of the Company's net investments in certain subsidiaries. They are interest-free, unsecured and settlement is neither planned nor likely to occur in the foreseeable future.

Amounts due from subsidiaries are denominated in the following currencies:

	2010 S$'000	2009 S$'000
Singapore dollar	**277,920**	170,340
United States dollar	**67,461**	8,635
Renminbi	**56**	109
	345,437	179,084

18. Interests in subsidiaries (Continued)

Details of the subsidiaries are as follows:

Name of subsidiaries	Effective equity interest 2010 %	2009 %	Issued/ Registered and paid up capital	Country of incorporation/ operations	Principal activities
North East Industries Pte Ltd (1)	**100**	100	2 Ordinary Shares (5)	Singapore	Investment holding
Green Oasis Pte Ltd (1)	**100**	100	2 Ordinary Shares (5)	Singapore	Investment holding
Midas Ventures Pte Ltd (1)	**100**	100	2 Ordinary Shares (5)	Singapore	Inactive
Midas Trading (Beijing) Co., Ltd (2)(4)	**100**	100	Registered and paid up capital of USD2.1 million	People's Republic of China ("PRC")	Inactive
<u>Subsidiary of North East Industries Pte Ltd</u>					
Jilin Midas Aluminium Industries Co.,Ltd (3)(4)	**100**	100	Registered and paid up capital of USD184 million	PRC	Manufacture and sales of aluminium alloy extrusion products
<u>Subsidiary of Green Oasis Pte Ltd</u>					
Shanxi Wanshida Engineering Plastics Co., Ltd (2)(4)	**100**	100	Registered and paid up capital of USD6 million	PRC	Manufacture and sales of polyethylene pipes

(1) Audited by BDO LLP, Singapore
(2) Audited by BDO LLP, Singapore for consolidation purposes
(3) Audited by an overseas member firm of BDO
(4) These entities are wholly foreign owned enterprises established in the PRC
(5) Total issued and paid up capital of the entity is S$2 only

19. Interest in an associate

Details of the associate are as follows:

Name of associate	Effective equity interest 2010 %	2009 %	Issued/Registered and paid up capital	Country of incorporation/ operations	Principal activities
Nanjing SR Puzhen Rail Transport Co., Ltd (1)(2)	**32.5**	32.5	Registered and paid up capital of RMB340 million	PRC	Manufacture and sale of metro trains, bogies and their related parts

(1) Reviewed by an overseas member firm of BDO for equity accounting purpose
(2) This entity is a sino-foreign investment joint enterprise in the PRC

19. Interest in an associate (Continued)

The Group	2010 S$'000	2009 S$'000
Unquoted equity investment, share of net assets		
Balance at beginning of the financial year	**33,414**	31,917
Dividend received/receivable	**(3,250)**	(1,817)
Share of profits	**9,261**	3,314
Balance at end of the financial year	**39,425**	33,414

The Company	2010 S$'000	2009 S$'000
Unquoted equity investment, at cost		
Balance at beginning and end of the financial year	**29,733**	29,733

The Group's associate, Nanjing SR Puzhen Rail Transport Co., Ltd was incorporated on 18 October 2006 and commenced its commercial operations with effect from January 2007. The summary of the financial information as at 31 December 2010 and 2009 are as follows:

	2010 S$'000	2009 S$'000
Total assets	**479,676**	358,567
Total liabilities	**369,404**	262,256
Turnover	**405,489**	266,398
Profit for the financial year	**29,045**	11,403

20. Available-for-sale financial assets

The Group	2010 S$'000	2009 S$'000
Unlisted equity investment, at cost	**391**	411

The available-for-sale financial asset is denominated in Renminbi.

As at 31 December 2010, unlisted equity investment with an aggregate carrying amount of S$391,000 (2009:S$411,000) was stated at cost because of the range of reasonable fair value estimates is so significant that the Directors are of the opinion that their fair values cannot be measured reliably.

21. Prepaid rental

The Group	2010 S$'000	2009 S$'000
Cost		
Balance at beginning of the financial year	**39**	40
Exchange differences	**(1)**	(1)
Balance at end of the financial year	**38**	39
Accumulated amortisation		
Balance at beginning of the financial year	**13**	12
Amortisation for the financial year	**2**	1
Balance at end of the financial year	**15**	13
Carrying amount		
At end of the financial year	**23**	26

22. Restricted bank deposits

As at 31 December 2010 and 2009, restricted bank deposits represent deposits placed in certain banks mainly for securing the issuance of letters of credit amounted to S$12,672,000 (2009:S$14,048,000). The restricted bank deposits bear interest at effective rate ranging from 0.05% to 0.36% (2009:0.05% to 0.36%) per annum respectively and for a tenure ranging between 1 year to 3 years.

The carrying amounts of restricted bank deposits approximate their fair value and are denominated in the following currencies:

The Group	2010 S$'000	2009 S$'000
Euro	**11,664**	12,637
Renminbi	**1,008**	1,411
	12,672	14,048

23. Inventories

The Group	2010 S$'000	2009 S$'000
Raw materials	**22,399**	5,205
Work-in-progress	**6,841**	7,262
Finished goods	**7,896**	5,239
	37,136	17,706

The cost of inventories from continuing operations recognised as expense and included in "cost of sales" in consolidated statement of comprehensive income amounted to S$137,819,000 (2009: S$92,193,000).

24. Trade and other receivables

The Group	2010 S$'000	2009 S$'000
Trade receivables – third parties	**81,885**	47,552
– associate	**2,198**	–
	84,083	47,552
Allowance for doubtful trade receivables	**(358)**	(377)
	83,725	47,175
Deposits and prepayments	**5,669**	5,518
Notes receivables	**3,267**	45
Amount due from an associate – Non-trade	**3,250**	1,817
Others – non-trade	**4,073**	379
	99,984	54,934

The Company	2010 S$'000	2009 S$'000
Deposits and prepayments	**235**	493
Amount due from an associate – Non-trade	**3,250**	1,817
Others – non-trade	**–**	25
	3,485	2,335

Trade receivables are non-interest bearing and are generally on 90 to 120 days credit terms. Notes receivables are non-interest bearing and are generally settled on terms of 6 months.

Trade amount due from an associate is non-interest bearing and is generally on 90 days credit term. Non-trade amount due from an associate which mainly relates to dividend receivable from an associate is unsecured, non-interest bearing and repayable on demand.

The Group and Company recognised impairment loss on individual assessment of customers based on the accounting policy stated in note 2.9.

As at 31 December 2010, certain trade receivables with carrying values of approximately S$39,060,000 (2009: S$16,890,000) were pledged as securities for bank borrowings (note 27).

The ageing analysis of the Group's trade receivables at the reporting date is as follows:

The Group	2010 S$'000	2009 S$'000
Within 90 days	**65,042**	35,640
Over 90 days and within 120 days	**18,154**	1,819
Over 120 days and within 6 months	**297**	3,891
Over 6 months and within 1 year	**239**	3,247
Over 1 year and within 2 years	**295**	2,346
Over 2 years	**56**	609
	84,083	47,552

24. Trade and other receivables (Continued)

The ageing analysis of the Group's trade receivables past due but not impaired at the balance sheet date is as follows:

The Group	2010 S$'000	2009 S$'000
Over 90 days and within 120 days	**17,966**	1,817
Over 120 days and within 6 months	**296**	3,891
Over 6 months and within 1 year	**235**	3,247
Over 1 year	**272**	2,578
	18,769	11,533

The balances that were past due but not impaired relate to a number of customers that have a good track record with the Group. Based on the past experience, the management estimated that the carrying amounts could be fully recovered.

Movements in allowance for doubtful trade receivables are as follows:

The Group	2010 S$'000	2009 S$'000
Balance at beginning of the financial year	**377**	599
Write back of allowance for doubtful trade receivables	**–**	(212)
Exchange differences	**(19)**	(10)
Balance at end of the financial year	**358**	377

The carrying amounts of trade and other receivables approximate their fair values and are denominated in the following currencies:

The Group	2010 S$'000	2009 S$'000
Singapore dollar	**123**	519
Renminbi	**98,285**	51,872
Euro	**1,462**	2,543
Hong Kong dollar	**114**	–
	99,984	54,934

The Company	2010 S$'000	2009 S$'000
Singapore dollar	**121**	518
Renminbi	**3,250**	1,817
Hong Kong dollar	**114**	–
	3,485	2,335

25. Cash and cash equivalents

The carrying amounts of cash and cash equivalents approximate their fair value and are denominated in the following currencies:

The Group	2010 S$'000	2009 S$'000
Euro	**127**	978
Renminbi	**183,478**	93,592
Singapore dollar	**60,072**	2,212
United States dollar	**792**	4,433
Hong Kong dollar	**246**	–
Others	**7**	8
	244,722	101,223

The Company	2010 S$'000	2009 S$'000
Euro	**4**	5
Renminbi	**24**	1
Singapore dollar	**60,051**	2,189
United States dollar	**778**	4,417
Hong Kong dollar	**245**	–
Others	**7**	8
	61,109	6,620

26. Trade and other payables

The Group	2010 S$'000	2009 S$'000
Trade payables	**9,701**	5,511
Notes payable	**8,388**	2,055
Other payables and accruals	**10,847**	1,410
Advance from customers		
– Third parties	**7,881**	1,291
– Associate	**–**	3,192
	36,817	13,459

The Company	2010 S$'000	2009 S$'000
Other payables and accruals	**585**	105

These amounts are non-interest bearing. Trade payables are normally settled on 30 to 90 days terms while other payables have an average term of 30 days. Notes payable have an average maturity period of 6 months and are non-interest bearing.

26. Trade and other payables (Continued)

The ageing analysis of the Group's trade payables at the balance sheet date is as follows:

	2010 S$'000	2009 S$'000
Within 90 days	**8,165**	5,379
Over 90 days and within 6 months	**1,502**	119
Over 6 months and within 1 year	**34**	3
Over 1 year	**–**	10
	9,701	5,511

The carrying amounts of trade and other payables approximate their fair values and are denominated in the following currencies:

The Group	2010 S$'000	2009 S$'000
Singapore dollar	**155**	127
Renminbi	**36,168**	13,282
Euro	**48**	50
United States dollar	**445**	–
Others	**1**	–
	36,817	13,459

The Company	2010 S$'000	2009 S$'000
Singapore dollar	**585**	105

27. Bank borrowings

The Group	2010 S$'000	2009 S$'000
Secured bank borrowings (note i)	**110,985**	84,852
Unsecured bank borrowings (note ii)	**21,483**	11,898
	132,468	96,750
Carrying amount repayable:		
Within one financial year	**73,878**	80,104
Between one to two financial years	**–**	–
Between two to five financial years	**–**	11,648
Over five financial years	**58,590**	4,998
	132,468	96,750
Less: Amounts due within one financial year shown under current liabilities	**(73,878)**	(80,104)
	58,590	16,646

27. Bank borrowings (Continued)

The effective interest rates, which are also equal to contracted interest rates, per annum are as follows:

	2010	2009
	%	%
Short-term loans	**4.37 – 6.37**	4.78 – 6.37
Long-term loans	**6.40**	5.94

All bank borrowings are variable-rate borrowings, and these borrowings carried interest at rates ranging from 90% to 110% (2009: 90% to 120%) of the benchmark interest rate as quoted by The People's Bank of China.

Bank borrowings are all denominated in Renminbi as at the reporting date.

Notes:

(i) The bank borrowings were secured by certain property, plant and equipment, land use rights and various trade receivables owned by the Group as set out in notes 16, 17 and 24 to the consolidated financial statements.

(ii) The bank borrowings were guaranteed by Jilin Midas Aluminium Industries Co., Ltd and Small and Medium Enterprise Credit Guarantee Centre (中小企信用擔保中心) in 2009 and guaranteed by Jilin Midas Aluminium Industries Co. Ltd in 2010.

28. Deferred tax liability

Details of the deferred tax liability recognised and movements during the financial year are as follows:

The Group	**2010** **S$'000**
Deferred tax liability	
At 1 January 2009	**419**
Exchange difference	**(4)**
At 31 December 2009 and 1 January 2010	**415**
Exchange difference	**(8)**
At 31 December 2010	**407**

During the financial year ended 31 December 2008, an inter-company loan within the Group had been capitalised that gave rise to an exchange difference of approximately S$1,635,000 which was credited to the foreign currency translation reserve at the Group level.

This exchange difference had also given rise to a future tax obligation of approximately S$419,000 which was recognised as a deferred tax liability on the consolidated statement of financial position with a corresponding entry to the foreign currency translation reserve as at 31 December 2008.

Under the New Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred tax has not been provided for in the consolidated statements of comprehensive income in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries as at 31 December 2010 and 2009 amounting to approximately S$94,000,000 and S$72,612,000 respectively as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

29. Share capital and treasury shares

(a) Share capital

	The Group and the Company			
	2010	2009	**2010**	2009
	Number of ordinary shares		**S$'000**	S$'000
Issued and fully paid				
Balance at beginning of the financial year	**965,367,800**	845,367,800	**220,696**	131,237
Issuance of ordinary shares in respect of the conversion of employee share options S$0.517 each	**250,000**	–	**129**	–
Issuance of ordinary shares in respect of the share placement	**–**	120,000,000	**–**	89,459
Issuance of ordinary shares in respect of the secondary listing on the Stock Exchange of Hong Kong Limited ("SEHK")	**253,000,000**	–	**213,022**	–
Transfer of option reserve to share capital upon exercise of employee share option	**–**	–	**27**	–
Balance at end of the financial year	**1,218,617,800**	965,367,800	**433,874**	220,696

(i) The Company has one class of ordinary shares which carries no right to fixed income. All ordinary shares carry one vote per share without restrictions and have no par value.

(ii) Pursuant to the placing agreement dated 16 July 2009, the Company agreed to issue 120,000,000 ordinary shares at a price of S$0.755 per share through the placement agent. The placing price of S$0.755 per share represented a discount of 7.0% to the volume weighted average price for trades as quoted on the Singapore Stock Exchange on 15 July 2009, being the preceding market day on which the placement agreement was signed. The 120,000,000 placement shares have been listed and quoted on the Singapore Stock Exchange on 27 July 2009.

(iii) On 24 November 2010, 250,000 ordinary shares were issued in respect of the conversion of share options under the Employee Share Option Scheme ("ESOS").

(iv) The Company completed the listing of 220,000,000 new ordinary shares in the capital of the Company at the offer price of HK$5.43 for each new share. The new shares were listed and quoted on the SEHK with effect from 6 October 2010.

On 22 October, the Company exercised the over-allotment option in full in respect of an aggregate of 33,000,000 shares at HK$5.43 per share.

	2010
	S$'000
Gross proceeds from secondary listing on SEHK	**231,119**
Less: share issuance costs #	**(18,097)**
Net proceeds from secondary listing on SEHK	**213,022**
# Includes non-audit fee in relation to secondary listing on SEHK	
– paid to auditors of the Company	**288**
– paid to other auditors	**448**
	736

29. Share capital and treasury shares (Continued)

(b) Treasury shares

	The Group and the Company			
	2010	2009	**2010**	2009
	Number of ordinary shares		**S$'000**	S$'000
Balance at beginning and end of the financial year	**1,000,000**	**1,000,000**	**518**	**518**

The Company acquired 1,000,000 of its own shares through purchases on the Singapore Stock Exchange during the financial year ended 31 December 2008. The total amount paid to acquire the shares was S$518,000 and has been deducted from shareholders' equity.

30. Reserves

The Company	**Treasury share (note 29(b)) S$'000**	**Share option reserve (note 33) S$'000**	**Retained earnings S$'000**	**Total S$'000**
Balance at 1 January 2010	**(518)**	**3,062**	**1,701**	**4,245**
Total comprehensive income for the financial year	**–**	**–**	**20,798**	**20,798**
Dividends	**–**	**–**	**(7,866)**	**(7,866)**
Dividend cancelled by subsidiary	**–**	**–**	**(2,212)**	**(2,212)**
Transfer of option reserve to share capital	**–**	**(27)**	**–**	**(27)**
Share-based payment expense	**–**	**58**	**–**	**58**
Balance at 31 December 2010	**(518)**	**3,093**	**12,421**	**14,996**
Balance at 1 January 2009	(518)	2,525	1,087	3,094
Total comprehensive income for the financial year	–	–	9,958	9,958
Dividends	–	–	(9,344)	(9,344)
Share-based payment expense	–	537	–	537
Balance at 31 December 2009	(518)	3,062	1,701	4,245

31. Foreign currency translation reserve

The Group

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. Movements in this account are set out in the consolidated statement of changes in equity.

32. PRC statutory reserve

The Group

PRC statutory reserve represents the amounts transferred from profit after income tax of the subsidiaries incorporated in the PRC in accordance with the PRC statutory requirements. The PRC statutory reserve cannot be reduced except where approval is obtained from the relevant PRC authority to apply the amount either in setting off the accumulated losses or increasing share capital. Movement in this account is set out in the consolidated statement of changes in equity.

33. Share option reserve

The Group and the Company

Share option reserve represents the equity-settled share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded on grant of equity-settled share options. Movement in this account is set out in the consolidated statement of changes in equity.

Equity-settled share options scheme

The Company has a share option scheme known as Midas Employee Share Option Scheme (the "Scheme") for all employees of the Group. Under the Scheme, an option entitles the option holder to subscribe for a specific number of new ordinary shares in the Company comprised in the option at a subscription price per share determined with reference to the market price of the share at the time of grant of the option.

Options granted with the subscription price set at the market price shall only be exercised after the first anniversary from the date of grant of the option. Options granted with the subscription price set at a discount to the market price shall only be exercised after the second anniversary from the date of the grant of the option. The shares under option may be exercised in whole or in part thereof.

Options granted will lapse when the option holder ceases to be a full-time employee of the Group subject to certain exceptions at the discretion of the Company.

Details of the share options outstanding during the financial year are as follows:

The Group and the Company	Balance at beginning of the financial year	Granted during the financial year	Exercised/ Cancelled during the financial year	Balance at end of the financial year	Exercise price
At 31 December 2010					
2006 options	**3,000,000**	**–**	**–**	**3,000,000**	**S$0.873**
2007 options	**4,000,000**	**–**	**–**	**4,000,000**	**S$1.992**
2009 options	**5,600,000**	**–**	**(250,000)**	**5,350,000**	**S$0.517**
	12,600,000	**–**	**(250,000)**	**12,350,000**	
Exercisable at 31 December 2010				**12,350,000**	

33. Share option reserve (Continued)

The Group and the Company (Continued)

Equity-settled share options scheme (Continued)

The Group and the Company	Balance at beginning of the financial year	Granted during the financial year	Exercised/ Cancelled during the financial year	Balance at end of the financial year	Exercise price
At 31 December 2009					
2006 options	3,000,000	–	–	3,000,000	S$0.873
2007 options	4,250,000	–	(250,000)	4,000,000	S$1.992
2009 options	–	5,850,000	(250,000)	5,600,000	S$0.517
	7,250,000	5,850,000	(500,000)	12,600,000	
Exercisable at 31 December 2009				7,000,000	

The weighted average share price at the date of exercise for share options exercised or cancelled in the financial year ended 31 December 2010 and 2009 were S$0.98 and S$0.52 respectively. The options outstanding as at 31 December 2010 and 2009 have a weighted average remaining contractual life of 2.3 years and 3.3 years respectively.

There were no shares options granted for the financial year ended 31 December 2010. On 9 February 2009, 5,850,000 options were granted and the estimated fair value of the share options granted for the financial year ended 31 December 2009 was S$735,000.

The fair values for the share options granted for the financial year ended 31 December 2009 were calculated using the Hull-White option pricing model.

The inputs into the model were as follows:

The Group and the Company	2009
Weighted average share price	S$0.52
Weighted average exercise price	S$0.52
Expected volatility	56.4%
Expected life	1-2 years
Risk free rate	0.45%-0.71%
Expected dividend yield	1.85%

The volatility percent was derived on the basis of a sample of weekly closing stock prices over the period of February 2004 to February 2009, extracted from the Singapore Exchange website.

The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The risk-free rate is assumed to be the latest available yield for a one-year, two-years and five-years government bond.

The exit rate is assumed to be zero as the vesting period is only one year. The exercise multiple is assumed to be 1.0 and 1.2 times for directors, senior management, middle management and support staff, which is based on the most recent exercise multiple data of the Company for the year ended 31 December 2009 and taking into consideration the recent stock market situation.

34. Operating lease commitments

As at balance sheet date, the total future minimum lease payments under non-cancellable operating leases are as follows:

The Group	**2010 S$'000**	2009 S$'000
Within one financial year	**313**	267
After one financial year but within five financial years	**155**	541
Total	**468**	808

The Group leases a number of properties under operating leases. Leases are negotiated for an average term of 3 to 5 years and rentals are fixed for an average of 3 to 5 years. These leases have no escalation clauses, restriction and do not provide contingent rents.

35. Capital commitments

The Group	**2010 S$'000**	2009 S$'000
Commitments for the acquisition of property, plant and equipment:		
– Contracted but not provided for	**52,137**	52,025

36. Significant related party transaction

(a) Transactions with related parties

In addition to the information disclosed in notes 24 and 26 to the consolidated financial statements, significant related party transactions between the Group and its related parties during the financial year were as follows:

Related party relationship	Type of transaction	**2010 S$'000**	2009 S$'000
Associate	Sales of goods	**13,693**	10,165
Associate	Dividend income	**3,250**	1,817

(b) Compensation of key management personnel

Remuneration of key management personnel of the Group, including certain amounts paid or payable to the Company's Directors as disclosed in note 10 to the consolidated financial statement, for the financial year is as follows:

	2010 S$'000	2009 S$'000
Salaries and other short-term employee benefits	**2,009**	1,466
Post-employment benefits – CPF contribution	**42**	96
Share-based payment expense	**28**	321
Directors' fees	**160**	120
	2,239	2,003

37. Financial risk and capital management

37.1 Financial risk management

The Group's activities expose it to capital risk, credit risk, market risk (including interest rate risk and foreign currency risk), and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The Group management then establishes the detailed policies such as risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

The Group does not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuation, if any, in interest rates and foreign exchange rates. There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk.

(a) Credit risk

The Group places its bank balances with credit worthy financial institutions. The Group performs ongoing credit evaluation of its customers' financial condition and generally does not require collateral. This evaluation includes assessing and valuation of customers' credit reliability and periodic review of their financial status to determine credit limits to be granted.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at end of the financial year in relation to each class of recognised financial assets is the carrying amount of those assets stated in the statements of financial position.

The Group has a concentration of credit risk of the trade receivables due from the five largest debtors. As at 31 December 2010 and 2009, approximately 84% and 66% of total trade receivables respectively, were due from the five largest debtors.

Cash and fixed deposits are placed with banks and approved financial institutions which are regulated.

(b) Market risk

(i) Interest rate risk

The Group's exposure to changes in interest rates relates primarily to interest-earning financial assets and interest-bearing financial liabilities. Interest rate risk is managed by the Group on an on-going basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates.

The following tables set out the carrying amount, by maturity, of the Group's financial instruments as at end of the financial year, that are exposed to interest rate risk.

37. Financial risk and capital management (Continued)

37.1 Financial risk management (Continued)

(b) Market risk (Continued)

(i) Interest rate risk (Continued)

The Group	Weighted average effective interest rate		Carrying amount	
	2010	2009	**2010**	2009
	%	%	**S$'000**	S$'000
Variable rate instruments				
Financial assets				
Restricted bank deposits	**0.12**	0.13	**12,672**	14,048
Cash and cash equivalents	**0.30**	0.34	**244,722**	101,223
			257,394	115,271
Financial liabilities				
Interest-bearing bank borrowings	**5.65**	5.48	**132,468**	96,750

The Company	Weighted average effective interest rate		Carrying amount	
	2010	2009	**2010**	2009
	%	%	**S$'000**	S$'000
Variable rate instruments				
Financial assets				
Cash and cash equivalents	**0.14**	0.06	**61,109**	6,620

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rate risk for financial instruments at the balance sheet date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the balance sheet date was outstanding for the whole year. The sensitivity analysis assumes an instantaneous 100 basis point ("bp") change in the interest rates from the balance sheet date, with all variables held constant.

	Impact to profit attributable to equity holders	
	100 bp increase	**100 bp decrease**
	S$'000	S$'000
The Group		
At 31 December 2010		
Bank borrowings	**(1,077)**	**1,077**
At 31 December 2009		
Bank borrowings	(786)	786

37. Financial risk and capital management (Continued)

37.1 Financial risk management (Continued)

(b) Market risk (Continued)

(ii) Foreign currency risk

The Group has foreign currency exposures arising from transactions that are denominated in a currency other than the respective functional currencies of Group entities, primarily Singapore dollar and Renminbi. As at the reporting date, the Group and the Company do not have significant foreign currency risk exposure except for the financial assets denominated in Euro. The Group makes use of natural hedge in the above situation to minimise its exposure to foreign currency movements. It is not the Group's policy to enter into any financial derivatives to hedge its exchange risks.

The Group is also exposed to currency translation risk arising from its net investments in foreign operation in the PRC, which are not hedged.

The following table sets out the carrying amount of monetary assets and liabilities of the Group in their respective currencies:

	Assets		Liabilities	
	2010	2009	**2010**	2009
	S$'000	S$'000	**S$'000**	S$'000
Euro	**13,253**	16,158	**48**	50
Renminbi	**282,741**	147,035	**168,636**	110,032
Singapore dollar	**60,146**	2,293	**155**	127
United States dollar	**792**	4,433	**445**	–
Hong Kong dollar	**360**	–	**1**	–
Other	**7**	8	**–**	–
	357,299	169,927	**169,285**	110,209

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity of the Group's profit to a reasonably possible 10% change in exchange rate of Euro and United States dollar against the respective functional currencies of the Group entities, with all other variables held constant.

	Impact to profit attributable to equity holders	
	Strengthened by 10%	**Weakened by 10%**
	S$'000	S$'000
The Group		
At 31 December 2010		
Euro	**1,320**	**(1,320)**
United States dollar	**21**	**(21)**
	1,341	**(1,341)**
At 31 December 2009		
Euro	1,310	(1,310)
United States dollar	368	(368)
	1,678	(1,678)

37. Financial risk and capital management (Continued)

37.1 Financial risk management (Continued)

(c) Liquidity risk

Liquidity risk refers to the risk in which the Group encounters difficulties in meeting its short-term obligations. Liquidity risk is managed by matching the payment and receipt cycle.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up using undiscounted cash flows of financial liabilities based on the earlier of the contractual date or when the Group is expected to pay. The table includes both interest and principal cash flows.

The Group	Carrying amount S$'000	Total contractual undiscounted cash flow S$'000	Within one year S$'000	After one year but less than five years S$'000	Due five or more than five years S$'000
At 31 December 2010					
Financial liabilities					
Trade and other payables	**36,817**	**36,817**	**36,817**	**–**	**–**
Bank borrowings	**132,468**	**149,478**	**78,756**	**63,323**	**7,399**
	169,285	**186,295**	**115,573**	**63,323**	**7,399**
At 31 December 2009					
Financial liabilities					
Trade and other payables	13,459	13,459	13,459	–	–
Bank borrowings	96,750	103,221	83,293	14,568	5,360
Dividends payable	2,411	2,411	2,411	–	–
	112,620	119,091	99,163	14,568	5,360

The Company	Carrying amount S$'000	Total contractual undiscounted cash flow S$'000	Within one year S$'000
At 31 December 2010			
Financial liabilities			
Other payables	**585**	**585**	**585**
At 31 December 2009			
Financial liabilities			
Other payables	105	105	105
Dividends payable	2,411	2,411	2,411
	2,516	2,516	2,516

The Group's operations are financed mainly through equity, retaining earnings and bank borrowings. Adequate lines of credits are maintained to ensure the necessary liquidity is available when required.

As at 31 December 2010 and 2009, the Company has a net current assets position of S$64,009,000 and S$6,439,000 respectively. The Company's cash flow obligations are supported by dividend and management fee income derived from its subsidiaries and associate.

37. Financial risk and capital management (Continued)

37.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of equity attributable to equity holders of the Company, comprising share capital, treasury shares, foreign currency translation reserve, PRC statutory reserve, share option reserve and retained earnings as disclosed in notes 29 to 33 to the consolidated financial statements.

The Group monitors capital on the basis of the debt to equity ratio. This ratio is calculated as total liabilities divided by equity. Total liabilities are the sum of "current liabilities" and "non-current liabilities" as shown on the consolidated statement of financial position and equity is "capital and reserves" as shown on the consolidated statement of financial position. The strategy remained unchanged from 2009.

The debt-equity ratio as at 31 December 2010 and 2009 were as follows:

The Group	**2010** **S$'000**	2009 S$'000
Total liabilities	**172,721**	113,818
Equity	**557,911**	320,834
Debt to equity ratio (times)	**0.31**	0.35

As disclosed in Note 32 to the consolidated financial statements, all PRC subsidiaries of the Group are required by the Foreign Enterprise Law of the PRC to contribute to and maintain a non-distributable statutory reserve fund whose utilisation is subject to approval by the relevant PRC authorities.

The Group is in compliance with the externally imposed capital requirement for the financial years ended 31 December 2010 and 2009.

38. Fair values

The carrying amounts of the financial assets and financial liabilities in the consolidated financial statements approximate their fair values due to the relative short term maturity of these financial instruments.

As disclosed in note 20 to the consolidated financial statements, the available-for-sale financial assets of the Group are not stated at fair value but at cost less any accumulated impairment losses because fair values of which cannot be reasonably assessed and therefore, no disclosure of the fair values of these financial instruments is made.

Amounts due from/to related companies are unsecured, interest-free and repayable on demand. Given these terms, it is not meaningful to disclose fair values of these balances.

39. Properties of the Group

Location	Description	Existing use	Tenure	Unexpired lease term (years)	Site area ('000 sqm)	Gross floor area ('000 sqm)
No. 108 Yongle South Road, Hi-tech Development Zone, Ruicheng Country, Shanxi Province, PRC	Industrial complex	Office building, workshop, warehouse staff dormitory and other ancillary facilities	Leasehold	39	28.7	10.8
Industrial Development Zone, Liaoyuan City, Jilin Province, PRC	Industrial complex	Office building, workshops and portion of the property under development	Leasehold	41-49	374.8	81.8
188 Fuzhen Road Liaoyuan City, Jilin Province, PRC	Industrial complex	Office building, workshop and other uses	Leasehold	41-46	81.8	48.5

40. Reconciliation between Singapore Financial Reporting Standards and International Financial Reporting Standards ("IFRS")

For the year ended 31 December 2010, there were no material differences between the consolidated financial statements of the Group prepared under Singapore Financial Reporting Standards and IFRS (which include all IFRS, International Accounting Standards and Interpretations).

41. Authorisation of financial statements

The consolidated financial statements of the Group and statement of financial position of the Company for the financial year ended 31 December 2010 were authorised for issue in accordance with a resolution of the Directors on 16 March 2011.

| STATISTICS OF SHAREHOLDINGS |

AS AT 11 MARCH 2011

Size of Shareholdings	No. of Shareholders	Percentage	No. of Shares Held	Percentage
1 - 999	8	0.06%	1,727	0.00%
1,000 - 10,000	8,200	60.35%	52,521,972	4.31%
10,001 - 1,000,000	5,341	39.31%	244,540,400	20.07%
1,000,001 and above	38	0.28%	921,553,701	75.62%
	13,587	100.00%	1,218,617,800	100.00%

Number of issued shares	:	1,218,617,800
Number of issued shares (excluding treasury shares)	:	1,217,617,800
Number / Percentage of Treasury Shares	:	1,000,000 (0.08%)
Class of shares	:	ordinary shares
Voting rights	:	one vote per share

As at 11 March 2011, approximately 61.59% of the Company's ordinary shares were held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual by the Stock Exchange Securities Trading Limited and Rule 8.08 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Top Twenty Shareholders as at 11 March 2011

S/No.	Name	No. of Shares	Percentage
1	CITIBANK NOMINEES SINGAPORE PTE LTD	207,107,062	17.00%
2	HKSCC NOMINEES LIMITED	150,746,000	12.37%
3	CHEN WEIPING	100,905,200	8.28%
4	CHEW HWA KWANG PATRICK	91,411,800	7.50%
5	DBS NOMINEES PTE LTD	53,293,499	4.37%
6	DBSN SERVICES PTE LTD	51,613,672	4.24%
7	HSBC (SINGAPORE) NOMINEES PTE LTD	47,055,578	3.86%
8	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	38,790,180	3.18%
9	BANK OF EAST ASIA NOMINEES PTE LTD	30,000,000	2.46%
10	TOMMIE GOH THIAM POH	14,435,400	1.18%
11	CIMB SECURITIES (SINGAPORE) PTE LTD	13,398,000	1.10%
12	PHILLIP SECURITIES PTE LTD	11,765,000	0.97%
13	RAFFLES NOMINEES (PTE) LTD	11,066,156	0.91%
14	OCBC SECURITIES PRIVATE LTD	10,648,000	0.87%
15	YAP CHONG HIN GABRIEL	10,050,000	0.82%
16	CITIBANK CONSUMER NOMINEES PTE LTD	9,375,000	0.77%
17	UOB KAY HIAN PTE LTD	8,129,000	0.67%
18	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	7,144,000	0.59%
19	DB NOMINEES (SINGAPORE) PTE LTD	6,426,107	0.53%
20	KIM ENG SECURITIES PTE. LTD.	6,309,576	0.52%
		879,669,230	72.19%

| SUBSTANTIAL SHAREHOLDERS |

AS AT 11 MARCH 2011

As shown in the Register of Substantial Shareholders

	No of Shares	
Name of Shareholders	**Direct Interest**	**Deemed Interest**
Chen Wei Ping	130,905,200	–
Chew Hwa Kwang Patrick	120,711,800	–
The Capital Group Companies, Inc.	–	117,182,000*
JPMorgan Chase & Co. and its affiliates	–	96,724,000#

* The interest relates to The Capital Group Companies, Inc.'s deemed interest in shares over which its subsidiaries have (a) no voting rights but disposal rights only as well as (b) both voting and disposal rights.

The number of shares is based on Notice of Substantial Shareholder Change in Interest submitted to Company on 18 December 2010.

\# The number of shares is based on Notice of Substantial Shareholder Change in Interest submitted to SGX-ST on 26 January 2011.

| NOTICE OF ANNUAL GENERAL MEETING |

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MIDAS HOLDINGS LIMITED

(Company Registration No.: 200009758W)

(incorporated in Singapore with limited liability)

(Hong Kong Stock Code: 1021)

(Singapore Stock Code: 5EN)

NOTICE IS HEREBY GIVEN that the Tenth Annual General Meeting of Midas Holdings Limited (the "Company") will be held at Minto Room, Level 4, Raffles City Convention Centre, 2 Stamford Road, Singapore 178882 on Friday, 29 April 2011 at 10.00 a.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and Audited Financial Statements of the Company for the financial year ended 31 December 2010 together with the Auditors' Report thereon. **[Resolution 1]**

2. To declare a Final Dividend of 0.5 Singapore cents per ordinary share for the financial year ended 31 December 2010 (2009 : 0.25 Singapore cents). **[Resolution 2]**

3. To approve the Directors' fees of S$160,000/- for the financial year ended 31 December 2010 (2009 : S$120,000/-). **[Resolution 3]**

4. To re-elect the following Directors retiring pursuant to the Company's Articles of Association:–

   (i) Mr. Chew Hwa Kwang Patrick (Article 91) **[Resolution 4]**

   (ii) Mr. Chan Soo Sen (Article 91) **[Resolution 5]**

5. To re-appoint Messrs BDO LLP, as the Company's Auditors and to authorise the Directors to fix their remuneration. **[Resolution 6]**

6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolutions with or without any modifications:-

7. Authority to allot and issue shares up to 20% of the total number of issued shares

   "THAT pursuant to Section 161 of the Companies Act, Cap. 50 and subject to Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") and Rule 13.36(2) of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the "SEHK"), authority be and is hereby given to the Directors of the Company to issue shares or convertible securities in the capital of the Company (whether by way of rights, bonus or otherwise) or to grant any offers, agreements or options which would or might require securities to be issued, allotted or disposed of at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit provided that:–

   (i) the aggregate number of shares and convertible securities to be issued pursuant to this Resolution does not exceed 20 per cent (20%) of the total number of issued shares excluding treasury shares in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below;

(ii) (subject to such manner of calculation as may be prescribed by the SGX-ST and the SEHK), for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (i) above, the total number of issued shares excluding treasury shares shall be based on the total number of issued shares excluding treasury shares in the capital of the Company at the time this Resolution is passed, after adjusting for:–

a. new shares arising from the conversion or exercise of any convertible securities;
b. new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and
c. any subsequent consolidation or subdivision of shares;

(iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST and SEHK as amended from time to time being in force (unless such compliance has been waived by the SGX-ST and the SEHK) and the Articles of Association for the time being of the Company; and

(iv) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.” **[Resolution 7]**

[See Explanatory Note (i)]

BY ORDER OF THE BOARD

Tan Cheng Siew
Company Secretary

Singapore,
28 March 2011

CLOSURE OF REGISTERS OF MEMBERS

NOTICE IS HEREBY GIVEN that the share transfer books and register of members of the Company will be closed on 19 May 2011 on which day no share transfer will be effected.

Duly completed registrable transfers received by the Company’s share registrar in Singapore, Intertrust Singapore Corporate Services Pte. Ltd., 3 Anson Road, #27-01 Springleaf Tower, Singapore 079909 up to the close of business at 5.00 p.m. on 18 May 2011 will be registered to determine Singapore shareholders’ entitlements to the final dividend.

In respect of ordinary shares in securities accounts with The Central Depository (Pte) Ltd (“CDP”), the final dividend will be paid by the bank to CDP which will, in turn, distribute the dividend to holders of the securities accounts.

Duly completed registrable transfers accompanied with the relevant share certificates received by the Company’s share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by no later than 4.30 p.m. on 18 May 2011 will be registered to determine Hong Kong shareholders’ entitlements to the final dividend.

Payment of the dividend, if approved by the members at the Annual General Meeting to be held on 29 April 2011 will be made on 2 June 2011.

Notes:

1. A member is entitled to appoint a proxy to attend and vote in his place. A proxy need not be a member of the Company. Members wishing to vote by proxy at the meeting may use the proxy form enclosed. The completed proxy form must be lodged at the registered office of the Company at 2 Shenton Way, #04-01 SGX Centre 1, Singapore 068804 (for Singapore shareholders), or at the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) (for Hong Kong shareholders), not less than 48 hours before the time appointed for the Meeting.

2. In respect of proposed Resolutions 4 and 5, the Board of Directors, in consultation with the Nominating Committee, recommends to members the re-election of Messrs Chew Hwa Kwang Patrick and Chan Soo Sen.

   As at the date of this notice, each of the following Directors, save as disclosed herein, did not have any other interest in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance in Hong Kong.

   Save as disclosed herein, each of the following Directors does not hold any other position with the Company or any other member of the Company's group (the "Group"), nor has any directorships in other listed public companies in the last three years, and no Director has any relationship with any Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules")) of the Company.

   Save as disclosed herein, there is no other matter in relation to the following Directors that needs to be brought to the attention of the shareholders and there is no other information relating to the following Directors which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

   Mr. Chew Hwa Kwang, Patrick, aged 48, is a founding member of the Group and is Chief Executive Officer who is responsible for the overall operations and finance of the Group and its financial well-being. Mr. Chew is responsible for identifying future business opportunities and services which the Group may provide to drive future growth. Mr. Chew is also in charge of overseeing the day-to-day management of the Group as well as our Group's strategic and business development. Mr. Chew has been appointed as the executive Director since 17 November 2000. He played a major role in the listing of the Company's shares on the SGX-ST on 23 February 2004 and on The Stock Exchange of Hong Kong Limited on 6 October 2010. Mr. Chew has more than twenty years of management experience.

   Mr. Chew has entered into a service contract with the Company for an initial term of three years commencing from 1 January 2009 which may be terminated by either party thereto giving to the other party not less than six months' prior notice in writing.

   Mr. Chew is entitled to receive a monthly salary of S$34,500, a monthly transport allowance of S$6,000 and a bonus equivalent to a percentage of the audited consolidated profit before taxation and before profit sharing (excluding gains on exceptional items and extraordinary item) but after minority interest of our Group for the relevant year.

   As at the date of this notice, Mr. Chew had an interest in 120,711,800 shares and an interest in 1,500,000 underlying shares in respect of options granted to him under the Scheme.

   Mr. Chan Soo Sen, aged 54, was appointed as an independent non-executive Director on 29 June 2006. He is currently the Executive Vice President of Singbridge International Singapore Pte. Ltd., and Member of Parliament for Joo Chiat Constituency in Singapore. Mr. Chan was a Minister of State and has served in several ministries including the Ministry of Education, Ministry of Trade and Industry and Ministry of Community Development, Youth and Sports. Before entering the political scene, Mr. Chan started up the China-Singapore Suzhou Industrial Park as the founding CEO in 1994, laying the foundation and framework for infrastructure and utilities development. Mr. Chan graduated from Keble College, University of Oxford, United Kingdom with a Bachelor of Arts (Second Class Honours) degree in Mathematics and holds a Master Degree in Management Science degree from Stanford University, United States of America. He was a director of MDR Limited, a company listed on the SGX-ST, from October 2006 to May 2009. He is currently a director of BreadTalk Group Limited (Stock Code: 5DA), Sunmoon Food Company Limited (Stock Code: F06) and Cogent Holdings Limited (Stock Code: KJ9), all of which are companies listed on the SGX-ST.

   There is no service contract entered into between Mr. Chan and the Company, but his appointment will be subject to the rotation and retirement requirements in accordance with the Articles of Association of the Company.

   Mr. Chan is entitled to receive an annual director's fee of S$40,000 per annum as determined by the Board with reference to his experience and responsibility with the Company, the remuneration benchmarks in the industry and the prevailing market situation.

   As at the date of this notice, Mr. Chan had an interest in 550,000 underlying shares in respect of options granted to him under the Midas Employee Share Option Scheme.

   Mr. Chan Soon Sen will, upon re-election as a Director of the Company, remain as a member of the Audit Committee and will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST and Rule 3.13 of the Listing Rules.

EXPLANATORY NOTES ON SPECIAL BUSINESS TO BE TRANSACTED:

(i) The Ordinary Resolution 7 proposed in item (7), if passed, will empower the Directors of the Company from the date of the above Meeting until the date of the next Annual General Meeting, to allot and issue new shares in the Company (whether by way of rights, bonus or otherwise). The number of shares which the Directors may issue under this Resolution shall not exceed 20% of the total number of issued shares excluding treasury shares in the capital of the Company. This authority will, unless previously revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

   As at the date of this notice, the issued share capital of the Company comprised 1,217,617,800 shares (excluding 1,000,000 treasury shares). Subject to the passing of ordinary resolution no. 7 and on the basis that no further shares are issued or repurchased after the date of this notice and up to the Annual General Meeting, the Company will be allowed to issue a maximum of 243,523,560 shares.

As at the date of this announcement, the executive directors of the Company are Mr. Chen Wei Ping and Mr. Chew Hwa Kwang, Patrick; and the independent non-executive directors of the Company are Mr. Chew Chin Hua, Mr. Chan Soo Sen and Dr. Xu Wei Dong.

MIDAS HOLDINGS LIMITED

(Company Registration No.: 200009758W)

Important
1. For investors who have used their CPF monies to buy shares of Midas Holdings Limited, the Annual Report 2010 is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

PROXY FORM

I/We ____________________

of ____________________

being a member/members of Midas Holdings Limited, hereby appoint

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)
and/or (delete as appropriate)			

or failing him/her, the Chairman of the Annual General Meeting ("AGM"), as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the Tenth AGM of the Company to be held at Minto Room, Level 4, Raffles City Convention Centre, 2 Stamford Road, Singapore 178882 on 29 April 2011 at 10.00 a.m. and at any adjournment thereof.

If no specific direction as to voting is given, the proxy/proxies may vote or abstain from voting at his/her discretion, as he/she will on any other matter arising at the AGM.

No.	Resolutions	No. of Votes For	No. of Votes Against
1.	To receive and adopt the Directors' Report and Audited Financial Statements for the financial year ended 31 December 2010 together with the Auditors' Report thereon.		
2.	To approve payment of proposed final dividend.		
3.	To approve payment of Directors' fees of S$160,000/-	.	
4.	To re-elect Mr. Chew Hwa Kwang Patrick as a Director.		
5.	To re-elect Mr. Chan Soo Sen as a Director.		
6.	To re-appoint Messrs BDO LLP as the Company's Auditors and to authorise the Directors to fix their remuneration.		
7.	Authority to allot and issue shares.		

Signed this ________ day of ____________________ 2011

Total No. of Shares in:	No. of Shares
(1) CDP Register	
(2) Register of Members	

____

Signature(s) of Member(s) or
Common Seal of Corporate Shareholder

Notes:

1. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his stead. Such proxy need not be a member of the Company.

2. Where a member appoints two proxies, the appointments shall be deemed to be in the alternatives unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.

3. The instrument appointing a proxy must be signed by the appointer or his duly authorised attorney or if the appointer is a corporation, it must be executed either under its common seal or signed by its attorney or a duly authorised officer of the corporation.

4. A corporation which is a member may also appoint by resolution of its directors or other governing body such person as it thinks fit to act as an authorised representative or representatives in accordance with its Articles of Association and Section 179 of the Companies Act, Chapter 50 of Singapore, to attend and vote on its behalf.

5. The instrument appointing a proxy or proxies (together with the power of attorney, if any, under which it is signed or a certified copy thereof), must be deposited at the registered office of the Company, 2 Shenton Way, #04-01 SGX Centre 1, Singapore 068804 (for Singapore shareholders), or at the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for Hong Kong Shareholders) at least 48 hours before the time fixed for holding the Annual General Meeting.

6. A member should insert the total number of Ordinary Shares held. If the member has Ordinary Shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), he should insert that number of Ordinary Shares. If the member has Ordinary Shares registered in his name in the Register of Members, he should insert that number of Ordinary Shares. If the member has Ordinary Shares entered against his name in the Depository Register as well as Ordinary Shares registered in his name in the Register of Members, he should insert the aggregate number of Ordinary Shares. If no number is inserted, this form of proxy will be deemed to relate to all the Ordinary Shares held by the member.

7. The Company shall be entitled to reject this instrument of proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this instrument of proxy. In addition, in the case of a member whose Ordinary Shares are entered in the Depository Register, the Company shall be entitled to reject this instrument of proxy which has been lodged if such member is not shown to have Ordinary Shares entered against his name in the Depository Register at least 48 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.

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Company Registration No. 200009758W

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