



Midas Holdings Limited

麥達斯控股有限公司

(Singapore Registration No.: 200009758W)

(Incorporated in Singapore with limited liability)

(Hong Kong Stock Code: 1021)

(Singapore Stock Code: 5EN)

Interim Report 2013

Contents

Corporate Information	2
Management Discussion & Analysis	4
Unaudited Consolidated Statement of Comprehensive Income	13
Consolidated Statement of Financial Position	14
Unaudited Statement of Changes in Equity	15
Unaudited Statement of Cash Flows	16
Notes to the Consolidated Financial Statements	17

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Chen Wei Ping, *Executive Chairman*
Mr. Chew Hwa Kwang, Patrick, *Chief Executive Officer*

Independent Non-executive Directors

Mr. Chan Soo Sen
Dr. Xu Wei Dong
Mr. Tong Din Eu

COMMITTEE MEMBERS

Audit Committee

Mr. Tong Din Eu, *Chairman*
Mr. Chan Soo Sen
Dr. Xu Wei Dong

Nominating Committee

Dr. Xu Wei Dong, *Chairman*
Mr. Tong Din Eu
Mr. Chan Soo Sen

Remuneration Committee

Mr. Chan Soo Sen, *Chairman*
Mr. Tong Din Eu
Dr. Xu Wei Dong

JOINT COMPANY SECRETARIES

Singapore: Ms. Tan Cheng Siew @ Nur Farah Tan, ACIS
Hong Kong: Ms. Ma Sau Kuen Gloria

SINGAPORE PRINCIPAL SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place #32-01 Singapore Land Tower
Singapore 048623

HONG KONG SHARE REGISTRAR

Boardroom Share Registrars (HK) Limited
31/F, 148 Electric Road
North Point, Hong Kong

HONG KONG AUTHORISED REPRESENTATIVES

Mr. Chew Hwa Kwang, Patrick
Ms. Ma Sau Kuen Gloria

AUDITORS

Mazars LLP

Public Accountants and
Certified Public Accountants
133 Cecil Street
#15-02 Keck Seng Tower
Singapore 069535
Partner-in-charge: Mr. Denis Usher
(Appointed with effect since financial
year ended 31 December 2012)

BANKERS

DBS Bank Ltd

Oversea-Chinese Banking Corporation
Limited
Industrial & Commercial Bank of China
China Construction Bank
Agricultural Bank of China

INVESTOR RELATIONS

Singapore:

Citigate Dewe Rogerson, i.MAGE Pte Ltd
55 Market Street #02-01
Singapore 048941
Tel: (65) 6534 5122
Fax: (65) 6534 4171

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Kwun Tong, Kowloon
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REGISTERED OFFICE IN SINGAPORE

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Singapore 068807
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Company Registration No.
200009758W

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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MANAGEMENT DISCUSSION & ANALYSIS

(I) BUSINESS REVIEW

REVENUE

The principal activities of Midas Holdings Limited (the “Company” or “Midas”, together with its subsidiaries, referred to the “Group”) for the period for the six months ended 30 June 2013 (“1H2013”) are as follows:

- a. manufacture of large section aluminium alloy extrusion products for use mainly in the following:
 - Transport Industry - We produce aluminium alloy profiles which are used to manufacture train car body frames for use by high-speed trains, metro trains and freight wagons;
 - Power Industry - We produce aluminium alloy tubing 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 polyethylene pipes for gas piping networks and water distribution networks.

Our revenue by business activities is set out below:

Business segments (RMB' 000)	1H2013	1H2012	Change	%
Aluminium Alloy Extruded Products Division	468,403	431,858	36,545	8.5
Polyethylene Pipes Division	18,020	18,363	(343)	(1.9)
Total	486,423	450,221	36,202	8.0

Our total revenue increased by approximately RMB36.2 million or 8.0% from RMB450.2 million in the period for the six months ended 30 June 2012 (“1H2012”) to RMB486.4 million in 1H2013. Revenue at our Aluminium Alloy Extruded Products Division increased by approximately RMB36.5 million or 8.5% from RMB431.9 million in 1H2012 to RMB468.4 million in 1H2013. Our Aluminium Alloy Extruded Products Division contributed approximately 96.3% of total revenue in 1H2013 as compared to approximately 95.9% in 1H2012.

The table below shows the revenue segmentation by end usage at our Aluminium Alloy Extruded Products Division for 1H2013.

Aluminium Alloy Extruded Products Division		
<u>Transport Industry</u>	<u>Power Industry</u>	<u>Others</u>
57.2%	9.3%	33.5%

Sales by end usage indicate that revenue contribution from the transport industry is still the major revenue contributor, contributing approximately 57.2% of the revenue for the Aluminium Alloy Extruded Products Division. Revenue contributions for the “Others” segment in the Aluminium Alloy Extruded Products Division included mainly supply of aluminium alloy rods and other specialized profiles for industrial machinery.

PROFITABILITY

Our gross profit by business activities is set out below:

Business segments (RMB' 000)	1H2013	1H2012	Change	%
Aluminium Alloy Extruded Products Division	111,878	134,331	(22,453)	(16.7)
Polyethylene Pipes Division	3,012	2,806	206	7.3
Total	114,890	137,137	(22,247)	(16.2)
<i>Gross Profit Margin (%)</i>	<i>23.6</i>	<i>30.5</i>	<i>(6.9)</i>	<i>(22.6)</i>

The Group's gross profit margin for 1H2013 was 23.6% versus 30.5% in 1H2012. This was due to lower gross profit margin at our Aluminium Alloy Extruded Products Division of 23.9% in 1H2013 as compared to 31.1% in 1H2012. The lower gross profit margin came about from an increase in per unit production cost due to lower utilisation of production capacity and change in product mix.

Other operating income comprised mainly interest income and disposal of scrap materials at our Aluminium Alloy Extruded Products Division. Other operating income increased due to higher income from disposal of scrap materials.

Selling and distribution expenses increased by approximately RMB2.3 million in 1H2013, driven mainly by higher transportation expenses as compared with 1H2012.

Administrative expenses increased by about RMB8.5 million in 1H2013 mainly due to increase in operating costs including increase in amortization of land use rights, property taxes, staff costs and utilities expenses as compared with 1H2012.

Finance costs comprised interest for bank borrowings, bank charges and financing costs relating to discounted notes receivables. Finance costs increased mainly due to higher bank borrowings. Approximately RMB19.4 million (1H2012: RMB10.9 million) of the interest on bank borrowings that are used to finance the construction of property, plant and equipment for our new production lines were capitalized.

The Group's share of loss from its associated company, Nanjing SR Puzhen Rail Transport Co. ("NPRT"), decreased by approximately RMB17.8 million or 95.2% from RMB18.7 million in 1H2012 to RMB0.9 million in 1H2013. This is due mainly to more train cars delivered to its customers during this period as compared with 1H2012.

Income tax expense for 1H2013 decreased by about RMB4.6 million as a result of lower profits. Our Jilin Aluminium Alloy Extruded Products Division was awarded with the approved High Technology Enterprise status and is entitled to enjoy a concessionary rate of 15% for the financial years 2011 to 2013.

1H2013 ended with profits attributable to shareholders of approximately RMB8.3 million which represented a 50.8% decrease over the corresponding 1H2012.

Property, plant and equipment increased due to additions made to machinery and infrastructure development for:-

1. extrusion moulds and ancillary facilities at our Jilin Aluminium Alloy Extruded Products Division;
2. construction of new plant at our Luoyang City Aluminium Alloy Extruded Products Division; and
3. construction of new plant at our Aluminium Alloy Plates and Sheets Division.

The increase in restricted bank deposits was due mainly to the letter of credit in respect of the purchase of property, plant and equipment.

As a result of a slowdown in the People's Republic of China ("PRC") railway industry, inventories have increased by RMB40.8 million due to slower delivery.

Trade and other receivables increased by about RMB256.9 million. This is mainly due to slower payments from our major customers as a result of the slowdown in the PRC railway industry.

In 2011, the PRC railway industry has been affected by several incidents. These have negative impacts on our major customers. They may further delay payments to their suppliers. Therefore, our trade receivables turnover days may increase in the forthcoming quarters. However, we remain confident because of the following reasons:

- (a) Railway projects are PRC strategic projects and will continue to move ahead.
- (b) Our major customers are major PRC state enterprises. We have confidence in their ability and credibility.

Trade and other payables increased by about RMB97.5 million due mainly to slower payment to our suppliers.

Net bank borrowings increased by RMB186.4 million mainly due to increase in loans for working capital and purchase of plant and machineries.

(II) FINANCIAL REVIEW

1. Net Asset Value

	Group	
	As at 30 June 2013 (Unaudited)	As at 31 Dec 2012 (Audited)
Net asset value per ordinary share based on issued share capital at period/year end	RMB2.42	RMB2.43

2. Loans

	As at 30 June 2013		As at 31 December 2012	
	Secured RMB'000 (Unaudited)	Unsecured RMB'000 (Unaudited)	Secured RMB'000 (Audited)	Unsecured RMB'000 (Audited)
Amount repayable in one year or less, or on demand	80,000	1,008,200	220,100	779,200
Amount repayable after one year	330,000	240,000	330,550	142,000
Total	410,000	1,248,200	550,650	921,200

Details of collateral

The secured borrowings consist of bank loans that are provided to Jilin Midas Aluminium Industries Co. Ltd ("Jilin Midas").

As at 30 June 2013, the bank loans to Jilin Midas are secured by the mortgage of land use rights, property, plant and equipment and various trade receivables with net book value of about RMB1,084.8 million (31 December 2012: RMB2,600.0 million). The bank loans to Luoyang Midas Aluminium Industries Co., Ltd. ("Luoyang Midas") are guaranteed by Jilin Midas.

All bank borrowings are variable-rate borrowings, and these borrowings carried interest rate ranging from 100% to 120% (2012: 100% to 130%) of the benchmark interest rate as quoted by The People's Bank of China.

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

3. Cash and Cash Equivalents

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

	As at 30 June 2013 RMB'000 (Unaudited)	As at 31 December 2012 RMB'000 (Audited)
Euro	1,984	3,012
Renminbi	393,845	510,620
Singapore dollar	4,125	32,862
United States dollar	16,661	42
Hong Kong dollar	61	468
Others	29	29
	<u>416,705</u>	<u>547,033</u>

4. Group's Order Book

The Group's order book as at 30 June 2013 is about RMB700 million.

5. Foreign Exchange Exposure

Certain of our bank accounts, deposits, receivables and payables are denominated in Singapore dollars, United States dollars and Euros, which are different from the functional currency of our entities, which expose 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.

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 report.

6. Gearing Ratio

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

Our debt to equity ratios are 56.2% as at 30 June 2013 and 49.7% as at 31 December 2012.

(III) PROSPECTS

Following the PRC Government's pledge to speed up railway investment, China Railway Corporation ("CRC"), China's national railway operator, recently announced that it will raise annual investments in fixed assets to RMB660 billion in 2013, of which approximately RMB530 billion is planned for the development of railway infrastructure. In the first half of this year, only one third of the planned investment had been completed, so there will be room for a quicker pace of investment in the second half of this year.

According to the country's 12th 5-year plan for railway development, China will have around 123,000 km of railways in operation by 2015, including 18,000 km of high-speed railways and an express railway network totaling 40,000 km in length. The CRC plans to have approximately 5,500 km of new railway lines put in operation by end 2013, extending the size of the rail network to over 100,000 km, while the high-speed rail network will exceed 10,000 km.

Such positive developments are expected to benefit industry players and the Group remains moderately optimistic on the outlook of China's railway industry over the mid to long-term.

At the export front, the Group continues to make good progress in its strategy to grow its businesses, securing additional projects for the Russian and Singapore market in early 2013. Moving forward, the Group will continue to actively identify and harness opportunities in other product segments as well as in export markets.

(IV) DISCLOSURE OF INTERESTS

Arrangements to enable Directors to acquire shares and debentures

Neither at the end of nor at any time during the six months ended 30 June 2013 was the Company a party to any arrangement whose object is to enable the directors of the Company (the "Director") 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.

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 as at 30 June 2013 had interest and short position in the shares, underlying shares or debentures of the Company and its related corporations as detailed below:

Name of Director	Capacity	Direct Interest		Deemed interest		Percentage of the issued share capital of the company
		At beginning of the period or date of appointment	At end of the period	At beginning of the period or date of appointment	At end of the period	
		Number of ordinary shares	Number of ordinary shares			
Interest in the Company						
Mr. Chen Wei Ping	Beneficial owner	131,405,200	131,405,200	-	-	10.79%
Mr. Chew Hwa Kwang, Patrick	Beneficial owner	121,711,800	121,711,800	-	-	10.00%
Mr. Tong Din Eu	Beneficial owner	749,000	749,000	-	-	0.06%

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).

As at 30 June 2013, 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 30 June 2013, 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 as at 30 June 2013 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 period	At end of the period
<u>Options to subscribe for ordinary shares of the Company</u>				
Mr. Chan Soo Sen	S\$0.517	09.2.2010 to 08.02.2014	250,000	250,000

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 ("Remuneration Committee"), comprising Mr. Chan Soo Sen, Mr. Tong Din Eu 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 expired 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 expired 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.

The details of options granted and exercised during the six months ended 30 June 2013 were as follows:

Option participants	Granted in period ended 30 June 2013	Aggregate granted since commencement of scheme to 30 June 2013	Aggregate exercised, lapsed or cancelled since commencement of scheme to 30 June 2013	Aggregate outstanding as at 30 June 2013
Director				
Mr. Chan Soo Sen	-	550,000	(300,000)	250,000
Other executives (including resigned directors)	-	17,350,000	(12,500,000)	4,850,000
Total	-	17,900,000	(12,800,000)	5,100,000

During the six months ended 30 June 2013, there were no share options granted to controlling shareholders of the Company 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 six months ended 30 June 2013. No other Director or employee of the Company and its subsidiaries (as defined in the Listing Manual of the Singapore Exchange Securities Trading Limited) 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 period under review.

During the six months ended 30 June 2013, there were no share options exercised.

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

Option relating to Scheme	Number outstanding at 30 June 2013	Exercise price	Exercise period
2009 Options	5,100,000	S\$0.517	9.2.2010 to 8.2.2014

Substantial shareholders

As at 30 June 2013, to the best of the Directors' knowledge and belief, no persons (other than the Directors whose interest are set out in the section "Directors' interest and short position in shares, underlying shares or debentures" above), had or deemed or taken to have an interest and/or short position in the shares or the underlying shares of the Company, which would fall to be disclosed under the provisions of Part XV of the SFO.

(V) SUPPLEMENTARY INFORMATION

1. Audit Committee

The audit committee of the Company (the "Audit Committee") has reviewed the accounting principles and standards adopted by the Group, and has discussed and reviewed the internal control and reporting matters. The interim results for the six months period ended 30 June 2013 have been reviewed by the Audit Committee. As of the date of this report, the Audit Committee comprises three independent non-executive Directors namely, Mr. Tong Din Eu (Chairman), Mr. Chan Soo Sen and Dr. Xu Wei Dong.

2. Compliance with the Corporate Governance Code

In the opinion of the Directors, the Company has complied with all the code provisions of the Corporate Governance Code and Corporate Governance Report (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on SEHK (the "Listing Rules") throughout the six months ended 30 June 2013 save for the deviation from code provision A.4.1 of the Code as mentioned below.

Under code provision A.4.1, non-executive directors should be appointed for a specific term, subject to re-election. Currently, none of the existing independent non-executive Directors is appointed for a specific term. However, all Directors are subject to the retirement and re-election provisions of the Articles of Association of the Company, which require that one third of the board of Directors of the Company ("the Board") shall retire from office by rotation every year and the retiring Directors are eligible for re-election. In addition, each of the Directors appointed to fill a casual vacancy will be subject to election by the shareholders at the first general meeting after such appointment. In view of this, the Board considers that such requirements are sufficient to meet the underlying objective of the said code provision A.4.1 and, therefore, does not intend to take any remedial steps in this regard.

3. 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 six months ended 30 June 2013, all Directors have complied with the required standards of the Model Code.

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

For the six months ended 30 June 2013, there were no material differences between the consolidated financial statements of the Group prepared under SFRS and IFRS (which include all IFRS, International Accounting Standards and Interpretations).

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

During the six months ended 30 June 2013, neither the Company nor its subsidiary had purchased, sold or redeemed any of the listed securities of the Company.

6. Share capital

There was no change in share capital during the six months ended 30 June 2013.

As at 30 June 2013, the share capital of the Company comprises 1,217,617,800 issued and fully paid ordinary shares (31 December 2012: 1,217,617,800 shares).

As at 30 June 2013, 1,000,000 ordinary shares were held as treasury shares (31 December 2012: 1,000,000 shares). During the six months ended 30 June 2013, none of the treasury shares were sold, transferred, disposed, cancelled and/or used.

7. Employees, remuneration policy and employee share options

As at 30 June 2013, there were 1,533 (31 December 2012: 1,491) 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 30 June 2013, there were unexercised share options for 5,100,000 unissued ordinary shares (31 December 2012: 5,100,000) under the Scheme.

8. Closure of register of members

A separate announcement regarding the book closure date, record date and the payment date regarding the proposed interim dividend for the six months period ended 30 June 2013 will be published in due course.

9. Disclosure on the website of the SEHK

This report is published on the website of the SEHK (<http://www.hkexnews.hk>) and on the website of the Company (<http://www.midas.com.sg>).

On behalf of the Board
Midas Holdings Limited
Chew Hwa Kwang, Patrick
*Executive Director and
Chief Executive Officer*

Hong Kong, 14 August 2013

Unaudited Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2013

	Note	For six months ended 30 June	
		2013 RMB'000	2012 RMB'000
Revenue	3	486,423	450,221
Cost of sales		(371,533)	(313,084)
Gross profit		<u>114,890</u>	<u>137,137</u>
Other operating income		12,249	4,880
Selling and distribution expenses		(19,532)	(17,242)
Administrative expenses		(52,764)	(44,248)
Finance costs		(38,709)	(33,445)
Share of (losses)/ profits of an associate		(900)	(18,729)
Profit before income tax expense	5	15,234	28,353
Income tax expense	6	(6,941)	(11,502)
Profit for the period		<u>8,293</u>	<u>16,851</u>
Other comprehensive income:			
Currency translation differences arising from consolidation		(7,273)	7,513
Total comprehensive income for the period		<u>1,020</u>	<u>24,364</u>
Profit attributable to:			
Owner of the Company		9,983	16,851
Non-controlling interest		(1,690)	-
		<u>8,293</u>	<u>16,851</u>
Total comprehensive income attributable to:			
Owner of the Company		2,710	24,364
Non-controlling interests		(1,690)	-
		<u>1,020</u>	<u>24,364</u>
Basic earnings per share (RMB Fen)	8	<u>0.82</u>	<u>1.38</u>
Diluted earnings per share (RMB Fen)	8	<u>0.82</u>	<u>1.38</u>

Consolidated Statement of Financial Position
as at 30 June 2013

	Group		Company	
	Unaudited as at 30 Jun 2013 RMB'000	Audited as at 31 Dec 2012 RMB'000	Unaudited as at 30 Jun 2013 RMB'000	Audited as at 31 Dec 2012 RMB'000
Non-current assets				
Property, plant and equipment	2,367,205	2,249,418	2,733	163
Interest in subsidiaries	-	-	1,939,642	2,028,147
Interest in an associate	188,992	197,032	144,408	151,547
Land use rights	322,718	325,252	-	-
Available-for-sale financial assets	2,000	2,000	-	-
Restricted bank deposits	56,376	37,456	-	-
Prepaid rental	102	106	-	-
	<u>2,937,393</u>	<u>2,811,264</u>	<u>2,086,783</u>	<u>2,179,857</u>
Current assets				
Inventories	741,575	700,783	-	-
Trade and other receivables	1,264,569	1,007,627	785	685
Income tax recoverable	22,186	22,299	-	-
Restricted bank deposits	-	-	-	-
Cash and cash equivalents	416,705	547,033	20,772	33,289
	<u>2,445,035</u>	<u>2,277,742</u>	<u>21,557</u>	<u>33,794</u>
Current liabilities				
Trade and other payables	488,338	367,134	1,099	1,402
Bank borrowings	1,088,200	999,300	-	-
	<u>1,576,538</u>	<u>1,366,434</u>	<u>1,099</u>	<u>1,402</u>
Net current assets	868,497	911,308	20,458	32,572
Total assets less current liabilities	3,805,890	3,722,572	2,107,241	2,212,429
Non-current liabilities				
Bank borrowings	570,000	472,550	-	-
Deferred tax liability	2,141	2,141	-	-
	<u>572,141</u>	<u>474,691</u>	<u>-</u>	<u>-</u>
Net assets	<u>3,233,749</u>	<u>3,247,881</u>	<u>2,107,241</u>	<u>2,212,429</u>
Capital and reserves and non-controlling interests				
Share capital	2,166,575	2,166,575	2,166,575	2,166,575
Treasury shares	(2,501)	(2,501)	(2,501)	(2,501)
Foreign currency translation reserve	(8,871)	(1,598)	(60,297)	43,908
PRC statutory reserve	137,621	134,467	-	-
Share option reserve	2,958	2,958	2,958	2,958
Retained earnings	655,239	663,562	506	1,489
Equity attributable to owners of the Company	<u>2,951,021</u>	<u>2,963,463</u>	<u>2,107,241</u>	<u>2,212,429</u>
Non-controlling interests	282,728	284,418	-	-
Total equity	<u>3,233,749</u>	<u>3,247,881</u>	<u>2,107,241</u>	<u>2,212,429</u>

Unaudited Statements of Changes in Equity
For the six months ended 30 June 2013

Attributable to equity holders of the Company

	Share capital	Treasury shares	Foreign currency translation reserve	PRC statutory reserve	Share option reserve	Retained earnings	Total	Non-controlling interests	Total equity
<u>The Group</u>	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 Jan 2013	2,166,575	(2,501)	(1,598)	134,467	2,958	663,562	2,963,463	284,418	3,247,881
Total comprehensive income for the financial period	-	-	(7,273)	-	-	9,983	2,710	(1,690)	(1,020)
Transfer to PRC statutory reserve	-	-	-	3,154	-	(3,154)	-	-	-
Dividends	-	-	-	-	-	(15,152)	(15,152)	-	(15,152)
Balance at 30 Jun 2013	2,166,575	(2,501)	(8,871)	137,625	2,958	(655,239)	2,951,021	282,728	3,233,749
Balance at 1 Jan 2012	2,166,575	(2,501)	(10,591)	126,811	10,913	682,445	2,973,652	-	2,973,652
Total comprehensive income for the financial period	-	-	7,513	-	-	16,851	24,364	-	24,364
Transfer to PRC statutory reserve	-	-	-	5,263	-	(5,263)	-	-	-
Dividends	-	-	-	-	-	(30,440)	(30,440)	-	(30,440)
Transfer of option reserve to retained earnings	-	-	-	-	(7,955)	7,955	-	-	-
Balance at 30 Jun 2012	2,166,575	(2,501)	(3,078)	132,074	2,958	671,548	2,967,576	-	2,967,576
	Share capital	Treasury shares	Foreign currency translation reserve	PRC statutory reserve	Share option reserve	Retained earnings	Total	Non-controlling interests	Total equity
<u>The Company</u>	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 Jan 2013	2,166,575	(2,501)	43,908	-	2,958	1,489	2,212,429	-	2,212,429
Total comprehensive income for the financial period	-	-	(104,205)	-	-	14,169	(90,036)	-	(90,036)
Dividends	-	-	-	-	-	(15,152)	(15,152)	-	(15,152)
Balance at 30 Jun 2013	2,166,575	(2,501)	(60,297)	-	2,958	506	2,107,241	-	2,107,241
Balance at 1 Jan 2012	2,166,575	(2,501)	(62,497)	-	10,913	7,871	2,120,361	-	2,120,361
Total comprehensive income for the financial period	-	-	60,389	-	-	16,651	77,040	-	77,040
Dividends	-	-	-	-	-	(30,440)	-	-	(30,440)
Transfer of option reserve to retained earnings	-	-	-	-	(7,955)	7,955	-	-	-
Balance at 30 Jun 2012	2,166,575	(2,501)	(2,108)	-	2,958	2,037	2,197,401	-	2,166,961

Unaudited Statement of Cash Flows
For the six months ended 30 June 2013

	1H2013 RMB'000	1H2012 RMB'000
Cash flows from operating activities		
Profit before income tax expense	15,234	28,353
Adjustments for:		
Depreciation of property, plant and equipment	59,169	50,564
Share of losses of an associate	900	18,729
Amortisation of land use rights and prepaid rental	2,538	1,617
Interest income	(884)	(2,585)
Interest expenses	33,509	31,015
Operating profits before changes in working capital	110,466	127,693
Changes in working capital		
Inventories	(40,792)	(76,106)
Trade and other receivables	(256,942)	(140,811)
Trade and other payables	121,204	75,838
Cash used in operations	(66,064)	(13,386)
Interest received	884	2,585
Interest paid	(33,509)	(31,015)
Income tax paid	(6,828)	(18,218)
Net cash used in operating activities	(105,517)	(60,034)
Cash flows from investing activities		
Purchases of property, plant and equipment	(160,582)	(206,842)
Net (increase)/ decrease in restricted bank deposits	(18,920)	68,089
Interest paid and capitalised	(19,416)	(10,945)
Net cash used in investing activities	(198,918)	(149,698)
Cash flows from financing activities		
Dividends paid	(15,152)	(30,440)
Repayment of bank borrowings	(500,650)	(495,000)
Proceeds from bank borrowings	687,000	623,000
Net cash from financing activities	171,198	97,560
Net decrease in cash and cash equivalents	(133,237)	(112,172)
Cash and cash equivalents at beginning of period	547,033	660,753
Net effect of exchange rate changes in cash and cash equivalents	2,909	3,380
Cash and cash equivalents at end of period	416,705	551,961

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the six months ended 30 June 2013

1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act"), the SFRS including related interpretation of SFRS ("INT SFRS") issued by the Singapore Accounting Standards Council and the Listing Rules on the SEHK.

The preparation of financial statements in conformity with SFRS 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.

2. ADOPTION OF NEW OR AMENDED SFRS

In the current financial period, the Group has adopted all the new and revised SFRS and INT SFRS that are relevant to its operations and effective for the current financial period.

The adoption of these new and revised SFRS and INT SFRS does not result in any substantial changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior years.

3. REVENUE

Revenue of the Group is as follows:

	For the six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
Sales of aluminium extrusion products	468,403	431,858
Sales of polyethylene pipes	18,020	18,363
Total	<u>486,423</u>	<u>450,221</u>

4. SEGMENT INFORMATION

<u>For the six months ended 30 June 2013</u>	Aluminium Alloy Extruded Products Division RMB'000	Polyethylene Pipe Division RMB'000	Aluminium Alloy Plates and Sheets Division RMB'000	Unallocated RMB'000	Total RMB'000
Revenue	468,403	18,020	-	-	486,423
RESULTS					
Segment results	67,640	764	(3,751)	-	64,653
Unallocated corporate expenses	-	-	-	(9,810)	(9,810)
Finance costs	(38,702)	(1)	(5)	(1)	(38,709)
Share of loss of an associate	-	-	-	(900)	(900)
Profit before income tax expense	28,938	763	(3,756)	(10,711)	15,234
OTHER INFORMATION					
Additions of property, plant and equipment	81,881	61	95,216	2,840	179,998
Depreciation of property, plant and equipment	57,052	1,860	62	195	59,169
Amortisation of land use rights and prepaid rental	1,575	43	920	-	2,538
BALANCE SHEET					
<u>As at 30 June 2013</u>	Aluminium Alloy Extruded Products Division RMB'000	Polyethylene Pipe Division RMB'000	Aluminium Alloy Plates and Sheets Division RMB'000	Unallocated RMB'000	Total RMB'000
Assets					
Segment assets	4,383,969	131,108	653,955	24,404	5,193,436
Interest in an associate					188,992
					<u>5,382,428</u>
Liabilities					
Segment liabilities	2,115,118	6,657	25,737	1,167	<u>2,148,679</u>

<u>For the six months ended 30 June 2012</u>	Aluminium Alloy Extruded Products Division RMB'000	Polyethylene Pipe Division RMB'000	Aluminium Alloy Plates and Sheets Division RMB'000	Unallocated RMB'000	Total RMB'000
Revenue	431,858	18,363	-	-	450,221
RESULTS					
Segment results	92,499	571	(2,806)	-	90,264
Unallocated corporate expenses	-	-	-	(9,737)	(9,737)
Finance costs	(33,434)	(1)	(3)	(7)	(33,445)
Share of loss of an associate	-	-	-	(18,729)	(18,729)
Profit before income tax expense	59,065	570	(2,809)	(28,473)	28,353
OTHER INFORMATION					
Additions of property, plant and equipment	173,827	2	33,013	-	206,842
Depreciation of property, plant and equipment	48,569	1,911	12	72	50,564
Amortisation of land use rights and prepaid rental	1,574	43	-	-	1,617

BALANCE SHEET

<u>As at 30 June 2012</u>	Aluminium Alloy Extruded Products Division RMB'000	Polyethylene Pipe Division RMB'000	Aluminium Alloy Plates and Sheets Division RMB'000	Unallocated RMB'000	Total RMB'000
Assets					
Segment assets	3,841,360	169,040	268,446	41,856	4,320,702
Interest in an associate					177,933
					<u>4,498,635</u>
Liabilities					
Segment liabilities	1,454,094	1,275	75,477	213	<u>1,531,059</u>

For the six months ended 30 June 2013, revenue contribution from our Aluminium Alloy Extruded Products Division accounted for about 96.3% of our total Group revenue for 1H2013 as compared to about 95.9% for 1H2012. Polyethylene Pipe Division accounted for about 3.7% and 4.1% of our total Group revenue for 1H2013 and 1H2012 respectively.

5. PROFIT BEFORE INCOME TAX EXPENSE

The Group's profit before tax is arrived at after charging:

	For the six months ended 30 June	
	2013 RMB'000	2012 RMB'000
Cost of inventories recognised as expenses	371,533	313,084
Depreciation of property, plant and equipment	59,169	50,564
Amortisation of prepaid rental and land use rights	2,538	1,617
Operating lease rentals - properties	703	863
	<hr/>	<hr/>

6. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2013 RMB'000	2012 RMB'000
Current – Singapore		
Under provision for income tax in prior financial year	4	28
Provision for income tax for the period	-	19
Withholding tax arising from dividends declared by PRC's subsidiaries	1,250	1,375
Current - PRC		
Provision for income tax for the period	5,687	10,080
Income tax expense	<hr/> 6,941	<hr/> 11,502

The Company is incorporated in Singapore and accordingly, is subject to income tax rates of 17% (1H2012: 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 six months ended 30 June 2013 (1H2012: 25%) except for the following:

- Jilin Midas was awarded with the approved High Technology Enterprise status and is entitled to enjoy a concessionary rate of 15% for the financial years 2011 to 2013.

7. DIVIDENDS

	For the six months ended 30 June	
	2013 RMB'000	2012 RMB'000
Final dividend of S\$0.005 per share paid in respect of the financial year ended 2011	-	30,440
Final dividend of \$0.0025 per share paid in respect of the financial year ended 2012	15,152	-
	<u>15,152</u>	<u>30,440</u>

The Board recommended and proposed an interim tax-exempt dividend[#] of S\$0.0025 (2012: S\$0.0025) per ordinary share in respect of the six months ended 30 June 2013 under the exempt-1-tier system. The above proposed interim dividends had not been recognised as a liability at the end of reporting period. The book closure date for the proposed interim dividend will be published in a separate announcement.

[#]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.

8. EARNINGS PER SHARE

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

	For the six months ended 30 June	
	2013 RMB'000	2012 RMB'000
Earnings		
Earnings for the purpose of basic and diluted earnings per share, being profit for the period attributable to owners of the Company	<u>9,983</u>	<u>16,851</u>

	For the six months ended 30 June	
	2013	2012
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,217,617,800	1,217,617,800
Effect of dilutive potential ordinary shares:		
Effects of dilution – Share options	-	-
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>1,217,617,800</u>	<u>1,217,617,800</u>

	For the six months ended 30 June	
	2013 RMB Fen	2012 RMB Fen
Basic earnings per share	0.82	1.38
Diluted earnings per share	0.82	1.38

A batch of 5,100,000 (1H2012: 5,100,000) 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 period was below the exercise price of the share option granted.

9. TRADE RECEIVABLES

	As at 30 June 2013 RMB'000 (Unaudited)	As at 31 December 2012 RMB'000 (Audited)
Trade receivables – third parties	892,421	734,493
– associate	1,269	34,466
	<u>893,690</u>	<u>768,959</u>
Allowance for doubtful trade receivables	(1,832)	(1,832)
Total trade receivables	<u>891,858</u>	<u>767,127</u>

Trade receivables are non-interest bearing and are generally on 90 to 120 days credit terms.

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

	As at 30 June 2013 RMB'000 (Unaudited)	As at 31 December 2012 RMB'000 (Audited)
Within 90 days	292,958	265,679
Over 90 days and within 120 days	72,018	61,290
Over 120 days and within 6 months	88,638	99,105
Over 6 months and within 1 year	256,213	256,628
Over 1 year and within 2 years	178,511	85,663
Over 2 years	5,352	594
	<u>893,690</u>	<u>768,959</u>

10. TRADE PAYABLES

Trade payables are normally settled on 30 to 90 days terms.

The ageing analysis of the Group's trade payables at the end of reporting period is as follows:

	As at 30 June 2013 RMB'000 (Unaudited)	As at 31 December 2012 RMB'000 (Audited)
Within 90 days	219,653	105,636
Over 90 days and within 6 months	924	13,259
Over 6 months and within 1 year	502	12,160
Over 1 year	705	46,939
	<u>221,784</u>	<u>177,994</u>

11. CONTINGENT LIABILITIES

As at 30 June 2013, the Group has no material contingent liabilities (31 December 2012: Nil).

12. CAPITAL COMMITMENTS

	As at 30 June 2013 RMB'000 (Unaudited)	As at 31 December 2012 RMB'000 (Audited)
Commitments for the acquisition of property, plant and equipment:		
- Contracted but not provided for	599,472	511,472
	<u>599,472</u>	<u>511,472</u>