



**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 2015**

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# 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 (Lead Independent Director)

## 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

## SINGAPORE COMPANY SECRETARY

Ms. Tan Cheng Siew @ Nur Farah Tan, ACIS

## HONG KONG COMPANY SECRETARY

Ms. Mok Ming Wai

## 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. Mok Ming Wai

## AUDITORS

Mazars LLP  
Public Accountants and  
Chartered Accountants  
135 Cecil Street  
#10-01 MYP Plaza  
Singapore 069536  
Partner-in-charge: Mr. Chan Hock Leong  
(Appointed with effect since financial  
year ended 31 December 2013)

## BANKERS

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

## INVESTOR RELATIONS

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

## REGISTERED OFFICE IN SINGAPORE

4 Shenton Way  
#18-03 SGX Centre 2  
Singapore 068807  
Tel: (65) 6438 3052  
Fax: (65) 6438 3053  
Website: [www.midas.com.sg](http://www.midas.com.sg)  
Company Registration No. 200009758W

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

36/F, Tower Two, Times Square  
1 Matheson Street  
Causeway Bay  
Hong Kong

# 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 six months ended 30 June 2015 (“1H2015”) 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 of polyethylene pipes for gas piping networks and water distribution networks.

Our revenue by business activities is set out below:

<b>Business segments (RMB' 000)</b>	<b>1H2015</b>	<b>1H2014</b>	<b>Change</b>	<b>%</b>
Aluminium Alloy Extruded Products Division	689,502	622,540	66,962	10.8
Polyethylene Pipe Division	5,395	10,631	(5,236)	(49.3)
<b>Total</b>	<b>694,897</b>	<b>633,171</b>	<b>61,726</b>	<b>9.7</b>

Our total revenue increased by approximately RMB61.7 million or 9.7% from RMB633.2 million in the period for the six months ended 30 June 2014 (“1H2014”) to RMB694.9 million in 1H2015. Revenue at our Aluminium Alloy Extruded Products Division increased by approximately RMB67.0 million or 10.8% from RMB622.5 million in 1H2014 to RMB689.5 million in 1H2015.

The table below shows the revenue segmentation by end usage at our Aluminium Alloy Extruded Products Division for 1H2015.

Aluminium Alloy Extruded Products Division		
<u>Transport Industry</u>	<u>Power Industry</u>	<u>Others</u>
83.8%	1.8%	14.4%

Sales by end usage indicate that revenue contribution from the transport industry is still the major revenue contributor, contributing approximately 83.8% of the revenue for the Aluminium Alloy Extruded Products Division. Revenue contributions for the “Others” segment in the Aluminium Alloy Extruded Products Division comprised mainly the supply of aluminium alloy rods and other specialized profiles for industrial machinery.

## PROFITABILITY

Our gross profit by business activities is set out below:

<b>Business segments (RMB' 000)</b>	<b>1H2015</b>	<b>1H2014</b>	<b>Change</b>	<b>%</b>
Aluminium Alloy Extruded Products Division	195,422	155,386	40,036	25.8
Polyethylene Pipe Division	595	1,272	(677)	(53.2)
<b>Total</b>	<b>196,017</b>	<b>156,658</b>	<b>39,359</b>	<b>25.1</b>
<i>Gross Profit Margin (%)</i>	<i>28.2</i>	<i>24.7</i>		

The Group's gross profit margin for 1H2015 was 28.2% versus 24.7% in 1H2014. This was due to higher gross profit margin at our Aluminium Alloy Extruded Products Division of 28.3% in 1H2015 as compared to 25.0% in 1H2014.

Other operating income comprised mainly interest income and disposal of scrap materials at our Aluminium Alloy Extruded Products Division.

Selling and distribution expenses increased by approximately RMB7.6 million in 1H2015, driven mainly by higher consumables expenses and staff costs as compared with 1H2014.

Administrative expenses increased by about RMB8.8 million in 1H2015 mainly due to higher staff related costs as compared with 1H2014.

Finance costs comprised interest for borrowings, bank charges and financing costs relating to discounted notes receivables. Finance costs increased mainly due to higher bank borrowings and the issuance of bonds pursuant to the medium term note programme. Approximately RMB64.9 million (1H2014: RMB56.2 million) of the interest on 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 profits from Nanjing SR Puzhen Rail Transport Co., Ltd ("NPRT") was approximately RMB16.4 million in 1H2015. This was mainly due to a different project mix in the respective periods.

Income tax expense for 1H2015 decreased by about RMB9.8 million mainly due to recognition of deferred tax asset of RMB3.2 million in Luoyang Midas Aluminium Industries Co., Ltd. ("Luoyang Midas") and Jilin Midas Light Alloy Co., Ltd. ("JMLA") during the period. Jilin Midas Aluminium Industries Co., Ltd ("Jilin Midas") was taxed at a concessionary rate of 15% in 1H2015 as compared with tax rate of 25% in 1H2014.

1H2015 ended with profits attributable to owners of the Company of approximately RMB22.5 million.

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

1. extrusion moulds, ancillary facilities and construction of new plant for our Aluminium Alloy Extruded Products Division; and
2. construction of new plant for our Aluminium Alloy Plates and Sheets Division.

Our Aluminium Alloy Extruded Products Division also acquired a foundry and its related building, machineries and the land use right for a consideration of RMB265 million in May 2015.

The increase in restricted bank deposits was mainly due to guarantee given for the issuance of banker's acceptances in respect of the purchase of raw materials.

Inventories increased by about RMB123.1 million mainly due to the increase in business volume experienced at our Aluminium Alloy Extruded Products Division.

Trade and other receivables increased by about RMB115.7 million. This was mainly due to increase in business volume experienced at our Aluminium Alloy Extruded Products Division.

Trade and other payables increased by about RMB305.6 million due mainly to the recognition of a payable in respect of the acquisition of a foundry and its related building, machineries and land use right by our Aluminium Alloy Extruded Products Division.

Bank borrowings increased by RMB320.3 million mainly for the purchases of property, plant and equipment of Luoyang Midas.

## (II) FINANCIAL REVIEW

### 1. Net Asset Value

	Group	
	As at 30 June 2015 (Unaudited)	As at 31 December 2014 (Audited)
Net asset value per ordinary share based on issued share capital at period/year end	RMB2.48	RMB2.46

### 2. Loans

	As at 30 June 2015		As at 31 December 2014	
	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	220,840	1,539,199	150,000	1,454,173
Amount repayable after one year	985,730	1,309,979	1,023,180	1,108,095
<b>Total</b>	<b>1,206,570</b>	<b>2,849,178</b>	<b>1,173,180</b>	<b>2,562,268</b>

All bank borrowings are variable-rate borrowings, and these borrowings carried interest rates ranging from 100% to 130% (2014: 100% to 110%) of the benchmark interest rate as quoted by The People's Bank of China.

Bank borrowings are all denominated in Renminbi as at 30 June 2015.

Bonds issued pursuant to the medium term note programme are fixed rate notes and have coupon rates at 5.75% and 6.00% per annum (2014: 5.75% and 6.00%). The notes are all denominated in Singapore Dollar as at 30 June 2015.

#### Details of collateral

The secured borrowings consist of bank loans that are provided to Jilin Midas and JMLA.

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 RMB1,132.2 million (31 December 2014: RMB1,327.4 million). The bank loans to JMLA are guaranteed by the Company, Jilin Midas and Dalian Huicheng Aluminium Industries Co., Ltd (which is ultimately owned by Mr. Chen Wei Ping, who is the Executive Director and Chairman of the Company). The bank loans to JMLA are also secured by land use rights, future constructions and developments on the land including factory buildings, office buildings and workshops for auxiliary facilities, and two cold-rolling mills. The bank loans to Luoyang Midas are guaranteed by Jilin Midas.

### 3. Cash and Cash Equivalents

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

	<b>As at 30 June 2015 RMB'000 (Unaudited)</b>	<b>As at 31 December 2014 RMB'000 (Audited)</b>
Euro	180	5,338
Renminbi	1,028,897	1,192,400
Singapore dollar	16,259	11,623
United States dollar	491	45
Hong Kong dollar	32	41
Others	160	54
	<u>1,046,019</u>	<u>1,209,501</u>

### 4. Group's Order Book

The Group's order book as at 30 June 2015 is about RMB1.14 billion.

### 5. Foreign Exchange Exposure

Certain of our bank accounts, deposits, borrowings, receivables and payables are denominated in currencies other than the functional currency of our Group entities (Renminbi). This exposes us to foreign currency risk. However, most of our operating expenses and revenue recognised are denominated in Renminbi and we do not expect a change in the way we operate. 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. We have not engaged in any foreign currency hedging activities as at the date of this report but may use financial derivatives to hedge exchange risks in the future.

### 6. Gearing Ratio

The Group monitors capital using a gearing ratio, which is derived by dividing total liabilities by total equity. Our gearing ratios were 165.6% as at 30 June 2015 and 145.5% as at 31 December 2014. If the gearing ratios were derived by dividing total interest bearing borrowings by equity, the gearing ratios would be 134.4% as at 30 June 2015 and 124.6% as at 31 December 2014.

### (III) PROSPECTS

Investments in the People's Republic of China ("PRC") railway sector are expected to accelerate in the second half of 2015 to achieve China's National Development and Reform Commission's ("NDRC") investment target of RMB800.0 billion in 2015. As at 1 July 2015, only RMB186.2 billion has been invested.

On the international front, the formation of CRRC Corporation Limited in June 2015 is likely to increase the PRC's competitiveness in the global railway market. The PRC's growing participation in global rail opportunities – demonstrating interest in High-Speed Rail construction in The Association of Southeast Asian Nations countries and signing memorandum of understandings with Russia, Brazil, and Turkey regarding railway sector cooperation, is also expected to be positive for industry players.

In light of positive industry developments and trends, industry players and rail equipment suppliers such as the Company are likely to benefit. The Group will continue to actively identify and harness opportunities in the PRC and international railway sector, 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 2015 was the Company a party to any arrangement whose object is to enable the directors of the Company (the "Directors") to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

##### 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 2015 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	Number of ordinary shares	Number of ordinary shares	
<b>Interest in the Company</b>						
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 2015, 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 2015, none of the Directors, chief executive of the Company or 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, no Directors holding office as at 30 June 2015 had interests in options to subscribe for ordinary shares of the Company.



## **Share options**

There were no unissued ordinary shares of the Company under options outstanding at the end of the period under review.

## **Substantial shareholders**

As at 30 June 2015, 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 2015 have been reviewed by the Audit Committee. As of the date of this report, the Audit Committee comprises three independent non-executive directors of the Company 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 2015 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 (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 Issuers**

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 transactions by the Directors. The Board confirms that, having made specific enquiries with all Directors, throughout the six months ended 30 June 2015, 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 2015, 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 2015, neither the Company nor its subsidiaries 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 2015.

As at 30 June 2015, the share capital of the Company comprises 1,217,617,800 issued and fully paid ordinary shares (31 December 2014: 1,217,617,800 shares).

As at 30 June 2015, 1,000,000 ordinary shares were held as treasury shares (31 December 2014: 1,000,000 shares). During the six months ended 30 June 2015, none of the treasury shares were sold, transferred, disposed, cancelled and/or used.

#### **7. Employees and remuneration policy**

As at 30 June 2015, there were 2,464 (31 December 2014: 2,156) 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.

#### **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 ended 30 June 2015 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 2015

**Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
*For the six months ended 30 June 2015*

		For six months ended 30 June	
	Note	2015 RMB'000	2014 RMB'000
Revenue	3	694,897	633,171
Cost of sales		(498,880)	(476,513)
Gross profit		196,017	156,658
Other operating income		3,954	5,736
Selling and distribution expenses		(34,979)	(27,365)
Administrative expenses		(81,109)	(72,347)
Finance costs		(73,838)	(53,763)
Share of profits of an associate		16,363	21,566
<b>Profit before income tax expense</b>	6	26,408	30,485
Income tax expense	7	(3,923)	(13,676)
<b>Profit for the period</b>		22,485	16,809
<b>Other comprehensive income:</b>			
Currency translation differences arising from consolidation		12,030	(3,471)
<b>Total comprehensive income for the period</b>		34,515	13,338
<b>Profit attributable to:</b>			
Owner of the Company		22,485	19,828
Non-controlling interest		-	(3,019)
		22,485	16,809
<b>Total comprehensive income attributable to:</b>			
Owner of the Company		34,515	16,357
Non-controlling interests		-	(3,019)
		34,515	13,338
<b>Basic earnings per share (RMB Fen)</b>	9	1.85	1.63
<b>Diluted earnings per share (RMB Fen)</b>	9	1.85	1.63

**Consolidated Statement of Financial Position**  
as at 30 June 2015

	Group		Company	
	Unaudited as at 30 June 2015 RMB'000	Audited as at 31 December 2014 RMB'000	Unaudited as at 30 June 2015 RMB'000	Audited as at 31 December 2014 RMB'000
<b>Non-current assets</b>				
Property, plant and equipment	4,097,704	3,617,443	1,686	1,905
Interest in subsidiaries	-	-	2,582,711	2,643,241
Interest in an associate	222,157	208,364	136,958	139,529
Land use rights	322,248	311,319	-	-
Restricted bank deposits	113,044	37,822	-	-
Prepaid rental	88	92	-	-
Deferred tax asset	20,343	17,138	-	-
	<u>4,775,584</u>	<u>4,192,178</u>	<u>2,721,355</u>	<u>2,784,675</u>
<b>Current assets</b>				
Inventories	686,843	563,711	-	-
Trade and other receivables	1,508,099	1,392,352	667	10,694
Cash and cash equivalents	1,046,019	1,209,501	16,264	10,806
	<u>3,240,961</u>	<u>3,165,564</u>	<u>16,931</u>	<u>21,500</u>
<b>Current liabilities</b>				
Trade and other payables	921,414	615,799	12,201	13,154
Income tax payable	5,239	6,866	-	-
Borrowings	1,760,039	1,604,173	-	-
Dividend payable	14,021	-	14,021	-
	<u>2,700,713</u>	<u>2,226,838</u>	<u>26,222</u>	<u>13,154</u>
<b>Net current assets</b>	520,248	938,726	(9,291)	8,346
<b>Total assets less current liabilities</b>	5,315,832	5,130,904	2,712,064	2,793,021
<b>Non-current liabilities</b>				
Borrowings	2,295,709	2,131,275	731,892	744,008
Deferred tax liability	2,141	2,141	-	-
	<u>2,297,850</u>	<u>2,133,416</u>	<u>731,892</u>	<u>744,008</u>
<b>Net assets</b>	<u>3,017,982</u>	<u>2,997,488</u>	<u>1,980,172</u>	<u>2,049,013</u>
<b>Capital and reserves</b>				
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	29,960	17,930	(170,346)	(132,602)
PRC statutory reserve	153,461	149,823	-	-
Retained earnings	670,487	665,661	(13,556)	17,541
Total equity	<u>3,017,982</u>	<u>2,997,488</u>	<u>1,980,172</u>	<u>2,049,013</u>

**Unaudited Statements of Changes in Equity**  
For the six months ended 30 June 2015

Group	← ← <u>Attributable to Owners of the Company</u>							Non-controlling interests	Total equity
	Share capital	Treasury shares	Foreign currency translation reserve	PRC statutory reserve	Share options reserve	Retained earnings	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1 January 2015</b>	2,166,575	(2,501)	17,930	149,823	-	665,661	2,997,488	-	2,997,488
Profit for the period	-	-	-	-	-	22,485	22,485	-	22,485
<i>Other comprehensive income:</i>									
Currency translation differences	-	-	12,030	-	-	-	12,030	-	12,030
Total comprehensive income for the financial period	-	-	12,030	-	-	22,485	34,515	-	34,515
Transfer to PRC statutory reserve	-	-	-	3,638	-	(3,638)	-	-	-
Dividends	-	-	-	-	-	(14,021)	(14,021)	-	(14,021)
<b>Balance at 30 June 2015</b>	<b>2,166,575</b>	<b>(2,501)</b>	<b>29,960</b>	<b>153,461</b>	<b>-</b>	<b>670,487</b>	<b>3,017,982</b>	<b>-</b>	<b>3,017,982</b>
<b>Balance at 1 January 2014</b>	2,166,575	(2,501)	(13,970)	142,016	2,740	673,797	2,968,657	279,532	3,248,189
Profit for the period	-	-	-	-	-	19,828	19,828	(3,019)	16,809
<i>Other comprehensive income:</i>									
Currency translation differences	-	-	(3,471)	-	-	-	(3,471)	-	(3,471)
Total comprehensive income for the financial period	-	-	(3,471)	-	-	19,828	16,357	(3,019)	13,338
Transfer to PRC statutory reserve	-	-	-	3,068	-	(3,068)	-	-	-
Dividends	-	-	-	-	-	(14,883)	(14,883)	-	(14,883)
Transfer of option reserve to retained earnings	-	-	-	-	(2,740)	2,740	-	-	-
<b>Balance at 30 June 2014</b>	<b>2,166,575</b>	<b>(2,501)</b>	<b>(17,441)</b>	<b>145,084</b>	<b>-</b>	<b>678,414</b>	<b>2,970,131</b>	<b>276,513</b>	<b>3,246,644</b>

**Unaudited Statements of Changes in Equity (continued)**  
*For the six months ended 30 June 2015*

<u>Company</u>	Share capital RMB'000	Treasury shares RMB'000	Foreign currency translation reserve RMB'000	Share options reserve RMB'000	Retained earnings RMB'000	Total RMB'000
<b>Balance at 1 January 2015</b>	2,166,575	(2,501)	(132,602)	-	17,541	2,049,013
Loss for the period	-	-	-	-	(17,076)	(17,076)
<i>Other comprehensive income:</i>						
Currency translation differences	-	-	(37,744)	-	-	(37,744)
Total comprehensive income for the financial period	-	-	(37,744)	-	(17,076)	(54,820)
Dividends	-	-	-	-	(14,021)	(14,021)
<b>Balance at 30 June 2015</b>	<b>2,166,575</b>	<b>(2,501)</b>	<b>(170,346)</b>	<b>-</b>	<b>(13,556)</b>	<b>1,980,172</b>
<b>Balance at 1 January 2014</b>	2,166,575	(2,501)	(92,527)	2,740	3,131	2,077,418
Loss for the period	-	-	-	-	(3,070)	(3,070)
<i>Other comprehensive income:</i>						
Currency translation differences	-	-	80,769	-	-	80,769
Total comprehensive income for the financial period	-	-	80,769	-	(3,070)	77,699
Dividends	-	-	-	-	(14,883)	(14,883)
Transfer of option reserve to retained earnings	-	-	-	(2,740)	2,740	-
<b>Balance at 30 June 2014</b>	<b>2,166,575</b>	<b>(2,501)</b>	<b>(11,758)</b>	<b>-</b>	<b>(12,082)</b>	<b>2,140,234</b>

**Unaudited Statement of Cash Flows**  
For the six months ended 30 June 2015

	<b>1H2015</b>	<b>1H2014</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Cash flows from operating activities</b>		
Profit before income tax expense	26,408	30,485
Adjustments for:		
Depreciation of property, plant and equipment	66,462	72,987
Share of profits of an associate	(16,363)	(21,566)
Amortisation of land use rights and prepaid rental	3,551	2,585
Loss on disposal of property, plant and equipment	21	4
Net fair value gain on derivative financial asset	(199)	-
Interest income	(2,131)	(4,177)
Interest expenses	73,838	53,763
Operating profits before changes in working capital	151,587	134,081
Changes in working capital		
Inventories	(123,132)	131,582
Trade and other receivables	(115,723)	(374,114)
Trade and other payables	40,609	44,339
Cash used in operations	(46,659)	(64,112)
Interest received	2,131	4,177
Interest paid	(55,111)	(41,973)
Income tax (paid)/recovered	(8,755)	435
<b>Net cash used in operating activities</b>	<b>(108,394)</b>	<b>(101,473)</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(231,504)	(292,326)
Proceeds from sale of other financial assets	175	-
Net (increase) /decrease in restricted bank deposits	(75,222)	8,076
Interest paid and capitalised	(65,132)	(53,293)
Dividends received from an associate	-	7,083
<b>Net cash used in investing activities</b>	<b>(371,683)</b>	<b>(330,460)</b>
<b>Cash flows from financing activities</b>		
Dividends paid	-	(14,883)
Repayment of bank borrowings	(561,584)	(423,290)
Proceeds from bank borrowings	894,000	669,000
Payment of medium term notes interests	(17,168)	-
Proceeds from medium term note	-	795,229
<b>Net cash from financing activities</b>	<b>315,248</b>	<b>1,026,056</b>
Net change in cash and cash equivalents	(164,829)	594,123
Cash and cash equivalents at beginning of period	1,209,501	1,046,456
Net effect of exchange rate changes in cash and cash equivalents	1,347	(9,151)
<b>Cash and cash equivalents at end of period</b>	<b>1,046,019</b>	<b>1,631,428</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the six months ended 30 June 2015**

**1. BASIS OF PREPARATION**

The financial statements have been prepared in accordance with the provisions of the Act, the SFRS including related interpretation of SFRS (“INT SFRS”) issued by the Singapore Accounting Standards Council and the Listing Rules.

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:

	<b>For the six months ended 30 June</b>	
	<b>2015</b>	<b>2014</b>
	<b>RMB’000</b>	<b>RMB’000</b>
Sales of aluminium extrusion products	689,502	622,540
Sales of polyethylene pipes	5,395	10,631
Total	<u>694,897</u>	<u>633,171</u>



#### 4. SEGMENT INFORMATION

<u>For the six months ended 30 June 2015</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
<b>Revenue</b>	689,502	5,395	-	-	694,897
<b>RESULTS</b>					
Segment results	103,351	(1,768)	(9,453)	-	92,130
Unallocated corporate expenses	-	-	-	(8,247)	(8,247)
Finance costs	(54,943)	(1)	(8)	(18,886)	(73,838)
Share of profits of an associate	-	-	-	16,363	16,363
Profit before income tax expense	48,408	(1,769)	(9,461)	(10,770)	26,408
<b>OTHER INFORMATION</b>					
Additions of property, plant and equipment	473,907	4	72,848	-	546,759
Depreciation of property, plant and equipment	65,013	681	583	185	66,462
Amortisation of land use rights and prepaid rental	1,638	43	1,870	-	3,551

#### BALANCE SHEET

<u>As at 30 June 2015</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
<b>Assets</b>					
Segment assets	5,867,562	104,762	1,803,342	18,722	7,794,388
Interest in an associate					222,157
					<u>8,016,545</u>
<b>Liabilities</b>					
Segment liabilities	3,231,305	3,270	1,005,874	758,114	<u>4,998,563</u>

<u>For the six months ended 30 June 2014</u>	<b>Aluminium Alloy Extruded Products Division RMB'000</b>	<b>Polyethylene Pipe Division RMB'000</b>	<b>Aluminium Alloy Plates and Sheets Division RMB'000</b>	<b>Unallocated RMB'000</b>	<b>Total RMB'000</b>
<b>Revenue</b>	<b>622,540</b>	<b>10,631</b>	<b>-</b>	<b>-</b>	<b>633,171</b>
<b>RESULTS</b>					
Segment results	81,421	(1,428)	(6,699)	-	73,294
Unallocated corporate expenses	-	-	-	(10,612)	(10,612)
Finance costs	(44,828)	(29)	(10)	(8,896)	(53,763)
Share of profits of an associate	-	-	-	21,566	21,566
Profit before income tax expense	<b>36,593</b>	<b>(1,457)</b>	<b>(6,709)</b>	<b>2,058</b>	<b>30,485</b>
<b>OTHER INFORMATION</b>					
Additions of property, plant and equipment	162,009	50	186,448	8	348,515
Depreciation of property, plant and equipment	71,613	711	418	245	72,987
Amortisation of land use rights and prepaid rental	1,574	43	968	-	2,585

#### **BALANCE SHEET**

<u>As at 30 June 2014</u>	<b>Aluminium Alloy Extruded Products Division RMB'000</b>	<b>Polyethylene Pipe Division RMB'000</b>	<b>Aluminium Alloy Plates and Sheets Division RMB'000</b>	<b>Unallocated RMB'000</b>	<b>Total RMB'000</b>
<b>Assets</b>					
Segment assets	4,900,291	106,470	1,715,275	426,624	7,148,660
Interest in an associate					219,688
					<u>7,368,348</u>
<b>Liabilities</b>					
Segment liabilities	2,363,136	2,120	947,974	808,474	<u>4,121,704</u>

For the six months ended 30 June 2015, revenue contributed from our Aluminium Alloy Extruded Products Division accounted for about 99.2% of our Group's total revenue as compared to about 98.3% for 1H2014. Polyethylene Pipe Division accounted for about 0.8% and 1.7% of our Group's total revenue for 1H2015 and 1H2014 respectively.

## 5. GEOGRAPHICAL INFORMATION

The following table provides an analysis of the revenue by geographical market:

	For the six months ended 30 June	
	2015 RMB'000	2014 RMB'000
<b>Revenue</b>		
PRC	603,497	535,787
Others	91,400	97,384
Total	<u>694,897</u>	<u>633,171</u>

Revenues are attributed to countries on the basis of the customers' location.

## 6. PROFIT BEFORE INCOME TAX EXPENSE

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

	For the six months ended 30 June	
	2015 RMB'000	2014 RMB'000
Cost of inventories recognised as expenses	495,058	476,513
Depreciation of property, plant and equipment	66,462	72,987
Amortisation of prepaid rental and land use rights	3,551	2,585
Operating lease rentals - properties	520	666

## 7. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2015 RMB'000	2014 RMB'000
Current – Singapore		
Under provision for income tax in prior financial year	22	-
Withholding tax arising from loan interest from a subsidiary	687	471
Withholding tax arising from dividends declared by PRC subsidiary and associate	-	2,588
Current - PRC		
Provision for income tax for the period	6,419	10,617
Provision for deferred tax assets	(3,205)	-
Income tax expense	<u>3,923</u>	<u>13,676</u>

The Company is incorporated in Singapore and accordingly, is subject to income tax rates of 17% (1H2014: 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 2015 (1H2014: 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 2016.

Under the PRC tax law, dividends received by foreign investors from their investment in Chinese enterprises in respect of their 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.

## 8. DIVIDENDS

	For the six months ended 30 June	
	2015 RMB'000	2014 RMB'000
Final dividend of S\$0.0025 per share paid in respect of the financial year ended 2013	-	14,883
Final dividend of S\$0.0025 per share payable in respect of the financial year ended 2014	14,021	-
	<u>14,021</u>	<u>14,883</u>

The Board recommended and proposed an interim tax-exempt dividend<sup>#</sup> of S\$0.0025 (2014: S\$0.0025) per ordinary share in respect of the six months ended 30 June 2015 under the exempt-1-tier system. The above proposed interim dividend 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.

<sup>#</sup>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.

## 9. 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	
	2015 RMB'000	2014 RMB'000
<b>Earnings</b>		
Earnings for the purpose of basic and diluted earnings per share, being profit for the period attributable to owners of the Company	<u>22,485</u>	<u>19,828</u>
	For the six months ended 30 June	
	2015	2014
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,217,617,800	1,217,617,800
<b>Effect of dilutive potential ordinary shares:</b>		
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>

	<b>For the six months ended 30 June</b>	
	<b>2015 RMB Fen</b>	<b>2014 RMB Fen</b>
Basic earnings per share	1.85	1.63
Diluted earnings per share	1.85	1.63

#### 10. TRADE RECEIVABLES

	<b>As at 30 June 2015 RMB'000 (Unaudited)</b>	<b>As at 31 December 2014 RMB'000 (Audited)</b>
Trade receivables – third parties	1,030,773	839,064
– associate	-	44,789
	1,030,773	883,853
Allowance for doubtful trade receivables	(1,832)	(1,832)
Total trade receivables	1,028,941	882,021

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:

	<b>As at 30 June 2015 RMB'000 (Unaudited)</b>	<b>As at 31 December 2014 RMB'000 (Audited)</b>
Within 90 days	399,906	381,062
Over 90 days and within 120 days	103,652	112,808
Over 120 days and within 6 months	136,655	119,475
Over 6 months and within 1 year	322,879	231,814
Over 1 year and within 2 years	48,901	37,720
Over 2 years	18,781	974
	1,030,774	883,853

## 11. 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:

	<b>As at 30 June 2015 RMB'000 (Unaudited)</b>	<b>As at 31 December 2014 RMB'000 (Audited)</b>
Within 90 days	231,481	28,203
Over 90 days and within 6 months	29,459	17,106
Over 6 months and within 1 year	18,115	82,010
Over 1 year	107,301	35,413
	<u>386,356</u>	<u>162,732</u>

## 12. CONTINGENT LIABILITIES

As at 30 June 2015, the Group has no contingent liabilities (31 December 2014: Nil).

## 13. CAPITAL COMMITMENTS

	<b>As at 30 June 2015 RMB'000 (Unaudited)</b>	<b>As at 31 December 2014 RMB'000 (Audited)</b>
Commitments for the acquisition and construction of property, plant and equipment:		
- Contracted but not provided for	676,568	527,042
	<u>676,568</u>	<u>527,042</u>