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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)

OVERSEAS REGULATORY ANNOUNCEMENT INSIDE INFORMATION

This announcement is issued pursuant to Part XIVA of the Securities and Futures Ordinance and Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Please refer to the attached news release on the next page which has been published by Midas Holdings Limited (the “**Company**”) on the website of the Singapore Exchange Securities Trading Limited on February 28, 2017.

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

Hong Kong, February 28, 2017

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



NEWS RELEASE

MIDAS' FY2016 NET PROFIT INCREASES 76.3% TO RMB100.8 MILLION

- *Maiden contribution from Aluminium Alloy Stretched Plates Division consolidated from July 27, 2016*
- *Gross profit margin improves to 29.7%, lifted by the Aluminium Alloy Extruded Products Division*
- *Contribution from 32.5%-owned NPRT rises 10.5% to RMB35.0 million*

Financial Highlights

(RMB' mil)	FY2016	FY2015	Change %
Revenue	1,485.7	1,512.2	(1.8)
Gross profit	441.1	406.8	8.4
Share of profits of an associate	35.0	31.7	10.5
Profit before tax	135.9	77.2	76.0
Profit after tax	100.8	57.2	76.3

Singapore & Hong Kong, February 28, 2017 – Midas Holdings Limited (麦达斯控股有限公司) (“Midas” or the “Company”, together with its subsidiaries, the “Group”; SGX-ST stock code: 5EN; SEHK stock code: 1021) today announced a 76.3% increase in net profit after tax (“Net Profit”) to RMB100.8 million for the financial year ended December 31, 2016 (“FY2016”), from RMB57.2 million a year ago (“FY2015”). This was due mainly to contributions from the Group’s Aluminium Stretched Plates Division following the completion of its acquisition on July 27, 2016 during the year under review.

Revenue declined marginally by 1.8% to RMB1,485.7 million during the year under review, compared to RMB1,512.2 million a year ago. On a segmental basis, revenue from the Group's core Aluminium Alloy Extruded Products Division decreased by 13.8% to RMB1,293.3 million (FY2015: 1,500.6 million), accounting for 87.1% of total revenue in FY2016. The decrease was partially offset by revenue of RMB182.0 million from the Group's Aluminium Alloy Stretched Plates Division for the period from July 27, 2016 to December 31, 2016. This newly-acquired business contributed 12.2% of total revenue for the year.

Within the Aluminium Alloy Extruded Products Division, the Transport Industry was the largest revenue contributor, accounting for 65.1% of the division's revenue in FY2016, with the Power Industry and Others segment accounting for the remaining 12.7% and 22.2% respectively. The Others segment comprised mainly the supply of aluminium alloy rods and other specialized profiles for various other industries.

The Group's overall gross profit margin increased from 26.9% in FY2015 to 29.7% in FY2016, due to a higher gross profit margin of 30.0% achieved at the Group's Aluminium Alloy Extruded Products Division, compared to 27.0% in FY2015.

Other income comprising mainly interest income, income derived from the disposal of scrap materials and government subsidies received, which rose 72.2% from RMB23.8 million in FY2015 to RMB40.9 million in FY2016.

Administrative expenses increased 7.6% from RMB172.6 million in FY2015 to RMB185.8 million in FY2016. Finance cost declined 14.3% to RMB119.1 million in FY2016 mainly due to lower interest rates of bank borrowings. Approximately RMB129.3 million (FY2015: RMB124.7 million) of the interest on borrowings used to finance the construction of property, plant and equipment for the new production lines were capitalised.

Contributions from the Group's associated company CRRC Nanjing Puzhen Rail Transport Co., Ltd. (南京中车浦镇城轨车辆有限责任公司) ("NPRT"), rose to RMB35.0 million in FY2016 from RMB31.7 million in FY2015, mainly due to increased delivery of train cars to its customers during the year.

Income tax expenses increased by about RMB15.1 million to RMB35.1 million in FY2016, due mainly to higher profits compared to FY2015.

The Group's financial position remained healthy as at December 31, 2016, with cash and cash equivalents of RMB1,083.2 million.

Mr. Patrick Chew (周华光), Chief Executive Officer of Midas, said, "We are on track with the implementation of our diversification strategy, given the maiden contributions from the Aluminium Alloy Stretched Plates division which boosted our financial performance during the year under review. Going forward, we will endeavour to continue to grow our various business segments and maintain the Group's edge as a leading supplier of aluminium alloy product amidst a competitive market."

Outlook

The PRC's railway expansion plans, together with its "One Belt One Road" initiative, represent significant infrastructure and construction opportunities in the PRC and overseas markets for businesses. Looking ahead, the Group expects to capitalise on the positive trends in the industry, to tap onto its business networks and to actively prospect for new market opportunities within the PRC and globally

Besides capitalising on opportunities in the railway industry, the Group remains on track with its strategy to expand its customer base to enter new industries and sectors. With the acquisition of Huicheng Capital on 27 July 2016, the Group has expanded its range of products and services to include aluminium alloy stretched plates and hot-rolled aluminium alloy plates and coils. The Group aims to further expand its operational capabilities in a similar direction for the coming years.

Mr. Chew said, “As a leading player in the PRC railway industry, Midas is poised to capitalise on opportunities arising from positive industry developments. We will continue to actively identify and harness opportunities in both the PRC and international railway sectors, backed by our reputation for quality and reliability. Coupled with our enhanced operational capabilities, the Group will continue to harness synergistic benefits from an expanded product range across our value chain, which will align with the Group’s plans for capacity expansion and diversification growth across new industries and sectors.”

About Midas Holdings Limited

Founded in 2000, Midas is the leading manufacturer of aluminium alloy extrusion products for the passenger rail transportation sector in the People’s Republic of China (the “PRC”) today. Over the years, Midas has built an established track record as a supplier of quality products to the PRC passenger rail transportation sector. It has participated in landmark contracts such as the Beijing-Tianjin High Speed Train Project, and the CRH3-380 inter-city high speed trains project. Midas’ customers include major PRC train manufacturer CRRC Corporation Limited (中国中车股份有限公司), and the three global train manufacturers – Alstom Transport, Siemens AG and Bombardier Transportation.

Midas has a strategic 32.5% stake investment in CRRC Nanjing Puzhen Rail Transport Co., Ltd. (南京中车浦镇城轨车辆有限责任公司) (“NPRT”), an associate company engaged in the development, manufacturing and sale of metro trains, bogies and their related parts.

In 2014, Midas won the ‘Our Stars For Rail Systems 2014’ award which was presented by Siemens’ Rail Systems Division to its top global suppliers. Separately, Midas was also honoured with the ‘Supplier of the Year Award’ in 2012 by Bombardier Transportation.

The Company was also awarded the “Best Investor Relations Award (Gold)” at the Singapore Corporate Awards (“SCA”) 2010 in the “S\$300 million to less than S\$1 billion market capitalisation” category. SCA also conferred the “Best CEO Award” to Midas’ Chief Executive Officer, Mr. Patrick Chew, in 2014.

Midas has also won the “Most Transparent Company Award” (Chemical & Resources Category) from 2012 to 2015, and “Most Transparent Company Award” (Materials Category) in 2016 at the Singapore Investors Association (Singapore) (“SIAS”) Investors’ Choice Awards.

As testament to its strong brand name and reputation in the PRC, Midas was conferred the prestigious “China Well-Known Trademark” (中国驰名商标) by the Trademark Office of the State Administration for Industry & Commerce of the PRC (中国国家工商行政管理总局商标局) (“SAIC”) in 2011.

Midas has a primary listing on the Mainboard of the Singapore Exchange Securities Trading Limited and a secondary listing on the Main Board of the Stock Exchange of Hong Kong Limited.

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