**MIDAS HOLDINGS LIMITED**

# Second Quarter Financial Statement And Dividend Announcement for the Period Ended 30/06/2016

## PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

### 1(a) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

**UNAUDITED RESULTS FOR SECOND QUARTER AND FIRST HALF ENDED 30 JUNE 2016**

| | GROUP | | | | | |
|---|---|---|---|---|---|---|
| | 2Q2016 1 Apr 2016 to 30 Jun 2016 RMB'000 | 2Q2015 1 Apr 2015 to 30 Jun 2015 RMB'000 | Increase/ (Decrease) % | 1H2016 1 Jan 2016 to 30 Jun 2016 RMB'000 | 1H2015 1 Jan 2015 to 30 Jun 2015 RMB'000 | Increase/ (Decrease) % |
| **Revenue** | 382,838 | 374,311 | 2.3 | 686,362 | 694,897 | (1.2) |
| **Cost of sales** | (276,295) | (270,630) | 2.1 | (485,698) | (498,880) | (2.6) |
| Gross profit | 106,543 | 103,681 | 2.8 | 200,664 | 196,017 | 2.4 |
| Other income | 2,719 | 1,348 | 101.7 | 6,695 | 3,954 | 69.3 |
| Selling and distribution expenses | (17,230) | (18,464) | (6.7) | (33,957) | (34,979) | (2.9) |
| Administrative expenses | (42,424) | (40,725) | 4.2 | (85,995) | (81,109) | 6.0 |
| Finance costs | (29,194) | (38,655) | (24.5) | (55,301) | (73,838) | (25.1) |
| Share of profits of an associate | 10,597 | 6,914 | 53.3 | 13,224 | 16,363 | (19.2) |
| **Profit before income tax expense** | 31,011 | 14,099 | 120.0 | 45,330 | 26,408 | 71.7 |
| Income tax expense | (12,315) | (2,542) | 384.5 | (16,648) | (3,923) | 324.4 |
| **Profit for the period** | 18,696 | 11,557 | 61.8 | 28,682 | 22,485 | 27.6 |
| **STATEMENT OF COMPREHENSIVE INCOME** | | | | | | |
| **Profit for the period** | 18,696 | 11,557 | 61.8 | 28,682 | 22,485 | 27.6 |
| Other comprehensive income: | | | | | | |
| Currency translation differences arising from consolidation | (17,256) | (11,974) | 44.1 | (41,441) | 12,030 | NM |
| **Total comprehensive income/(loss) for the period** | 1,440 | (417) | NM | (12,759) | 34,515 | NM |

NM – Not meaningful

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year**

**STATEMENTS OF FINANCIAL POSITION**

| | Group | | | Company | | |
|---|---|---|---|---|---|---|
| | Unaudited As at 30 Jun 2016 RMB'000 | Audited As at 31 Dec 2015 RMB'000 | Increase/ (Decrease) % | Unaudited As at 30 Jun 2016 RMB'000 | Audited As at 31 Dec 2015 RMB'000 | Increase/ (Decrease) % |
| **Non-current assets** | | | | | | |
| Property, plant and equipment | 4,232,089 | 4,142,814 | 2.2 | 1,474 | 1,499 | (1.7) |
| Interest in subsidiaries | - | - | - | 2,752,455 | 2,594,383 | 6.1 |
| Interest in an associate | 248,397 | 225,282 | 10.3 | 146,471 | 136,580 | 7.2 |
| Land use rights | 328,833 | 333,934 | (1.5) | - | - | - |
| Prepaid rental | 81 | 84 | (3.6) | - | - | - |
| Deferred tax assets | 18,200 | 18,118 | 0.5 | - | - | - |
| | 4,827,600 | 4,720,232 | 2.3 | 2,900,400 | 2,732,462 | 6.1 |
| **Current assets** | | | | | | |
| Inventories | 538,388 | 558,694 | (3.6) | - | - | - |
| Trade and other receivables | 1,566,193 | 1,264,102 | 23.9 | 637 | 12,578 | (94.9) |
| Restricted bank deposits | 126,436 | 96,550 | 31.0 | - | - | |
| Cash and cash equivalents | 1,195,740 | 1,162,445 | 2.9 | 13,671 | 3,710 | 268.5 |
| | 3,426,757 | 3,081,791 | 11.2 | 14,308 | 16,288 | (12.2) |
| **Current liabilities** | | | | | | |
| Trade and other payables | 1,093,562 | 927,311 | 17.9 | 12,805 | 14,041 | (8.8) |
| Income tax payable | 4,047 | 8,040 | (49.7) | - | - | - |
| Finance lease payable | 100,000 | - | NM | - | - | - |
| Borrowings | 2,601,396 | 2,073,091 | 25.5 | 786,283 | 343,161 | 129.1 |
| | 3,799,005 | 3,008,442 | 26.3 | 799,088 | 357,202 | 123.7 |
| **Net current (liabilities) /assets** | (372,248) | 73,349 | NM | (784,780) | (340,914) | 130.2 |
| **Non-current liabilities** | | | | | | |
| Borrowings | 1,439,162 | 1,750,109 | (17.8) | - | 388,339 | (100.0) |
| Deferred tax liability | 2,141 | 2,141 | - | - | - | - |
| | 1,441,303 | 1,752,250 | (17.7) | - | 388,339 | (100.0) |
| **Net assets** | 3,014,049 | 3,041,331 | (0.9) | 2,115,620 | 2,003,209 | 5.6 |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Capital and reserves** | | | | | | |
| 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 | (8,964) | 32,477 | NM | (32,745) | (175,253) | (81.3) |
| PRC statutory reserve | 163,280 | 158,378 | 3.1 | - | - | - |
| Retained earnings | 695,659 | 686,402 | 1.3 | (15,709) | 14,388 | NM |
| **Total equity** | 3,014,049 | 3,041,331 | (0.9) | 2,115,620 | 2,003,209 | 5.6 |

NM – Not meaningful

## 1(b)(ii) Aggregate amount of group's borrowings and debt securities

**Amount repayable in one year or less, or on demand**

| As at 30 Jun 2016 | | As at 31 Dec 2015 | |
|---|---|---|---|
| Secured | Unsecured | Secured | Unsecured |
| RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| 230,000 | 2,471,396 | 236,150 | 1,836,941 |

**Amount repayable after one year**

| As at 30 Jun 2016 | | As at 31 Dec 2015 | |
|---|---|---|---|
| Secured | Unsecured | Secured | Unsecured |
| RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| 868,000 | 571,162 | 937,000 | 813,109 |

### Details of any collateral

The secured borrowings consist of bank loans that are provided to Jilin Midas Aluminium Industries Co., Ltd. ("Jilin Midas") and Jilin Midas Light Alloy Co., Ltd. ("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 RMB903.7 million (31 December 2015: RMB1,049.4 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 its 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 Aluminium Industries Co., Ltd. ("Luoyang Midas") are secured by its mortgage of land use rights with net book value of about RMB56.3 million (31 December 2015: Nil) and guaranteed by Jilin Midas. Finance lease payable of RMB100.0 million of Luoyang Midas are secured by the mortgage of its property, plant and equipment with net book value of about RMB174.7 million (31 December 2015: Nil).

**1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

**UNAUDITED STATEMENT OF CASH FLOWS**

| | 2Q2016 1 Apr 2016 to 30 Jun 2016 RMB'000 | 2Q2015 1 Apr 2015 to 30 Jun 2015 RMB'000 |
|---|---|---|
| **Cash flows from operating activities:** | | |
| Profit before income tax expense | 31,011 | 14,099 |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 42,519 | 33,434 |
| Share of profits of an associate | (10,597) | (6,915) |
| Amortisation of land use rights and prepaid rental | 1,991 | 1,807 |
| Fair value loss on derivative financial asset | - | 289 |
| Loss on disposal of property, plant and equipment | 1,644 | - |
| Interest income | (1,718) | (1,002) |
| Interest expenses | 29,194 | 38,655 |
| Operating profits before changes in working capital | 94,044 | 80,367 |
| Changes in working capital | | |
| Inventories | 51,448 | (120,007) |
| Trade and other receivables | (240,346) | 121,971 |
| Trade and other payables | 191,976 | (55,269) |
| Cash generated from operations | 97,122 | 27,062 |
| Interest received | 1,718 | 1,002 |
| Interest paid | (19,065) | (29,129) |
| Income tax paid | (10,513) | (5,097) |
| **Net cash from / (used in) operating activities** | 69,262 | (6,162) |
| **Cash flows from investing activities:** | | |
| Purchases of property, plant and equipment | (46,523) | (59,353) |
| Net increase in restricted bank deposits | (29,425) | (15,303) |
| Interest paid and capitalised | (21,962) | (28,756) |
| Proceeds from sale of other financial assets | - | 175 |
| Dividends received from an associate | 11,846 | - |
| Purchase of land use right | (11,469) | - |
| **Net cash used in investing activities** | (97,533) | (103,237) |
| **Cash flows from financing activities** | | |
| Dividends paid | (14,523) | - |
| Repayment of bank borrowings | (164,025) | (286,734) |
| Proceeds from bank borrowings | 349,750 | 304,000 |
| Payment of medium term notes interests | (10,904) | (10,129) |
| **Net cash from financing activities** | 160,298 | 7,137 |
| Net change in cash and cash equivalents | 132,027 | (102,262) |
| Cash and cash equivalents at beginning of period | 1,063,215 | 1,147,191 |
| Net effect of exchange rate changes in cash and cash equivalents | 498 | 1,090 |
| Cash and cash equivalents at end of period | 1,195,740 | 1,046,019 |

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year**

**UNAUDITED STATEMENTS OF CHANGES IN EQUITY**

| Group | Share capital RMB'000 | Treasury shares RMB'000 | Foreign currency translation reserve RMB'000 | PRC statutory reserve RMB'000 | Retained earnings RMB'000 | Total equity RMB'000 |
|---|---|---|---|---|---|---|
| **Balance at 1 Jan 2016** | 2,166,575 | (2,501) | 32,477 | 158,378 | 686,402 | 3,041,331 |
| Profit for the period | - | - | - | - | 28,682 | 28,682 |
| *Other comprehensive income:* | | | | | | |
| Currency translation differences | - | - | (41,441) | - | - | (41,441) |
| Total comprehensive (loss)/income for the financial period | - | - | (41,441) | - | 28,682 | (12,759) |
| Transfer to PRC statutory reserve | - | - | - | 4,902 | (4,902) | - |
| Dividends | - | - | - | - | (14,523) | (14,523) |
| **Balance at 30 Jun 2016** | 2,166,575 | (2,501) | (8,964) | 163,280 | 695,659 | 3,014,049 |
| **Balance at 1 Jan 2015** | 2,166,575 | (2,501) | 17,930 | 149,823 | 665,661 | 2,997,488 |
| Profit for the period | - | - | - | - | 22,485 | 22,485 |
| *Other comprehensive income:* | | | | | | |
| Currency translation differences | - | - | 12,030 | - | - | 12,030 |
| Total comprehensive income for the financial period | - | - | 12,030 | - | 22,485 | 34,515 |
| Transfer to PRC statutory reserve | - | - | - | 3,638 | (3,638) | - |
| Dividends | - | - | - | - | (14,021) | (14,021) |
| **Balance at 30 Jun 2015** | 2,166,575 | (2,501) | 29,960 | 153,461 | 670,487 | 3,017,982 |

| Company | Share capital RMB'000 | Treasury shares RMB'000 | Foreign currency translation reserve RMB'000 | Retained earnings RMB'000 | Total equity RMB'000 |
|---|---|---|---|---|---|
| **Balance at 1 Jan 2016** | 2,166,575 | (2,501) | (175,253) | 14,388 | 2,003,209 |
| Loss for the period | - | - | - | (15,574) | (15,574) |
| *Other comprehensive income:* | | | | | |
| Currency translation differences | - | - | 142,508 | - | 142,508 |
| Total comprehensive income for the financial period | - | - | 142,508 | (15,574) | 126,934 |
| Dividends | - | - | - | (14,523) | (14,523) |
| **Balance at 30 Jun 2016** | 2,166,575 | (2,501) | (32,745) | (15,709) | 2,115,620 |
| **Balance at 1 Jan 2015** | 2,166,575 | (2,501) | (132,602) | 17,541 | 2,049,013 |
| Loss for the period | - | - | - | (17,076) | (17,076) |
| *Other comprehensive income:* | | | | | |
| Currency translation differences | - | - | (37,744) | - | (37,744) |
| Total comprehensive loss for the financial period | - | - | (37,744) | (17,076) | (54,820) |
| Dividends | - | - | - | (14,021) | (14,021) |
| **Balance at 30 Jun 2015** | 2,166,575 | (2,501) | (170,346) | (13,556) | 1,980,172 |

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year**

SHARE CAPITAL

No shares were issued during the financial period ended 30 June 2016.

TREASURY SHARES

As at 30 June 2016, 1,000,000 ordinary shares were held as treasury shares (30 June 2015 – 1,000,000).

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year**

As at 30 June 2016 the share capital of the Company comprises 1,217,617,800 issued and fully paid ordinary shares (31 December 2015 – 1,217,617,800).

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

**2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)**

The figures have not been audited or reviewed.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current period as compared to the most recently audited annual financial statements as at 31 December 2015.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

Not applicable.

**6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

**EARNINGS PER SHARE**

| | | Group | | | | | |
|---|---|---|---|---|---|---|---|
| | | 2Q2016 1 Apr 2016 to 30 Jun 2016 | 2Q2015 1 Apr 2015 to 30 Jun 2015 | Change +/(-) % | 1H2016 1 Jan 2016 to 30 Jun 2016 | 1H2015 1 Jan 2015 to 30 Jun 2015 | Change +/(-) % |
| Earnings per ordinary share of the Group for the financial period based on net profit attributable to owners of the company | | | | | | | |
| (i) | Based on basic basis (RMB Fen) | 1.54 | 0.95 | 62.1 | 2.36 | 1.85 | 27.6 |
| | - Number of shares | 1,217,617,800 | 1,217,617,800 | | 1,217,617,800 | 1,217,617,800 | |
| | | | | | | | |
| (ii) | On a fully diluted basis (RMB Fen) | 1.54 | 0.95 | 62.1 | 2.36 | 1.85 | 27.6 |
| | - Number of shares | 1,217,617,800 | 1,217,617,800 | | 1,217,617,800 | 1,217,617,800 | |

**7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year**

**NET ASSET VALUE**

| | Group | | | Company | | |
|---|---|---|---|---|---|---|
| | **30 Jun 2016** | **31 Dec 2015** | **Change +/(-) %** | **30 Jun 2016** | **31 Dec 2015** | **Change +/(-) %** |
| Net asset value per ordinary share based on issued share capital at financial period/year end | 2.48 yuan | 2.50 yuan | (0.8) | 1.74 yuan | 1.65 yuan | 5.5 |

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

**COMMENTARY ON THE STATEMENT OF COMPREHENSIVE INCOME**

**2Q2016**

Our total revenue increased by approximately RMB8.5 million or 2.3% from RMB374.3 million in 2Q2015 to RMB382.8 million in 2Q2016. Revenue at our Aluminium Alloy Extruded Products Division increased by approximately RMB11.4 million or 3.1% from RMB370.0 million in 2Q2015 to RMB381.4 million in 2Q2016.

The table below shows the revenue segmentation by end usage at our Aluminium Alloy Extruded Products Division for the three months ended 30 June 2016.

| Aluminium Alloy Extruded Products Division | | |
|---|---|---|
| Transport Industry | Power Industry | Others |
| 62.2% | 6.5% | 31.3% |

Revenue contributions for the "Others" segment in the Aluminium Alloy Extruded Products Division comprised mainly of the supply of aluminium alloy rods and other specialized profiles for industrial machinery.

The Group's gross profit margin for 2Q2016 was 27.8% versus 27.7% in 2Q2015. Our Aluminium Alloy Extruded Products Division gross profit margin was 28.0% in 2Q2016 as compared to 27.9% in 2Q2015.

Other income comprised mainly interest income and disposal of scrap materials at our Aluminium Alloy Extruded Products Division. Other income increased due to increase in interest income and government subsidies received.

Selling and distribution expenses decreased by approximately RMB1.2 million in 2Q2016, driven mainly by lower staff and related costs as compared with 2Q2015.

Finance costs comprised interest for borrowings, bank charges and financing costs relating to discounted notes receivables. Finance costs decreased mainly due to lower interest rates of bank borrowings as compared to 2Q2015. Approximately RMB24.3 million (2Q2015: RMB31.0 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 its associated company, CRRC Nanjing Puzhen Rail Transport Co., Ltd was approximately RMB10.6 million in 2Q2016 as compared to RMB6.9 million in 2Q2015. This was mainly due to a different project mix in the respective periods and also a reduction in its operating expenses.

Income tax expense for 2Q2016 increased by about RMB9.8 million mainly due to higher withholding tax expense as compared with 2Q2015 and adjustment for under provision for income tax in prior years.

2Q2016 ended with profits of approximately RMB18.7 million.

**1H2016**

Our total revenue decreased by approximately RMB8.5 million or 1.2% from RMB694.9 million in 1H2015 to RMB686.4 million in 1H2016. Revenue at our Aluminium Alloy Extruded Products Division decreased by approximately RMB5.3 million or 0.8% from RMB689.5 million in 1H2015 to RMB684.2 million in 1H2016.

The table below shows the revenue segmentation by end usage at our Aluminium Alloy Extruded Products Division for the six months ended 30 June 2016.

| Aluminium Alloy Extruded Products Division | | |
|---|---|---|
| Transport Industry | Power Industry | Others |
| 66.4% | 9.0% | 24.6% |

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.

The Group's gross profit margin for 1H2016 was 29.2% versus 28.2% in 1H2015. This was due to higher gross profit margin at our Aluminium Alloy Extruded Products Division of 29.4% in 1H2016 as compared to 28.3% in 1H2015.

Other income comprised mainly interest income and disposal of scrap materials at our Aluminium Alloy Extruded Products Division. Other income increased due to increase in interest income and government subsidies received.

Administrative expenses increased by about RMB4.9 million in 1H2016 mainly due to higher amortisation expenses, maintenance costs and other taxes as compared with 1H2015.

Finance costs comprised interest for borrowings, bank charges and financing costs relating to discounted notes receivables. Finance costs decreased mainly due to lower interest rates of bank borrowings as compared to 1H2015. Approximately RMB52.2 million (1H2015: RMB64.9 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 its associated company, CRRC Nanjing Puzhen Rail Transport Co., Ltd was approximately RMB13.2 million in 1H2016 as compared to RMB16.4 million in 1H2015. This was mainly due to decreased delivery to its customers during the period.

Income tax expense for 1H2016 increased by about RMB12.7 million mainly due to higher withholding tax expense as compared with 1H2015 and adjustment for under provision for income tax in prior years.

1H2016 ended with profits of approximately RMB28.7 million.

**COMMENTARY ON THE STATEMENTS OF FINANCIAL POSITION**

Trade and other receivables increased by about RMB302.1 million. This was mainly due to increase in trade receivables of about RMB160.9 million due to slower payments from our customers. Other receivables increased by about RMB141.2 million mainly due to advance payments made to our suppliers for inventories and property, plant and equipment.

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.

Trade and other payables increased by about RMB166.3 million due mainly to slower payment to our suppliers.

Net borrowings after currency translation adjustments increased by RMB317.4 million mainly to finance our working capital needs.

The Group was in a negative working capital position of about RMB372.2 million as at 30 June 2016 mainly due to the reclassification of bonds issued pursuant to the medium term note programme of about RMB388.5 million from long term to short term and net increase in short-term revolving loans of about RMB162.6 million.

**COMMENTARY ON THE CONSOLIDATED STATEMENT OF CASH FLOWS**

During the quarter under review, net cash from operating activities was approximately RMB69.3 million and net increase in borrowings was approximately RMB185.7 million. The above inflows were offset by payments made for property, plant and equipment amounted to RMB46.5 million which resulted in cash and cash equivalents balance of RMB1,195.7 million as at 30 June 2016.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

Not applicable.

## 10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Investments into China's railway sector is expected to remain robust, backed by its government's plans to expand the domestic railway network to 150,000 km by 2020, including 30,000 km of high-speed rail. Short-term prospects for the railway sector also remains positive, buoyed by the country's planned assets investment target of RMB800 billion in 2016 to expand China's railway network.

In line with its "One Belt One Road" initiative, China also continues to eye global opportunities by leveraging its expertise in high-speed rail construction. It has plans to build high-speed rail networks connecting China with all of Southeast Asia and CRRC Corporation Limited, China's largest rail train manufacturer, is also in discussions with more than 30 countries about high-speed rail projects.

The Group expects the positive industry environment to benefit market players and will continue to actively seek opportunities in the PRC and international railway sectors. The Group also continues to seek and leverage diversification opportunities into other product segments as well as in export markets.

The Group is pleased to report that it had on 27 July 2016 completed the acquisition of Huicheng Capital Limited, enabling Midas to diversify its range of products and services to include aluminium alloy stretched plates and hot-rolled aluminium alloy plates and coils, expand its customer base and enter new industries and sectors as well as harness synergies via vertical integration. Details of the above-mentioned acquisition are disclosed in the Company's announcements dated 30 November 2015, 17 March 2016, 19 April 2016 and 27 July 2016.

## 11. Dividend

### *(a) Current Financial Period Reported On*

Any dividend declared for the current financial period reported on?

None

### *(b) Corresponding Period of the Immediately Preceding Financial Year*

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes

| | |
|---|---|
| Name of Dividend | First Interim |
| Dividend Type | Cash |
| Dividend amount per share (in cents) | 0.25 Singapore cent per ordinary share under one-tier system |
| Tax Rate | Tax exempt (one-tier) |

### (c) Date payable

Not applicable.

### (d) Books closure date

Not applicable.

## 12. If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared or recommended.

## 13. Interested person transactions

The Group had obtained a specific mandate from shareholders for the proposed acquisition of Huicheng Capital, pursuant to Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The acquisition had been completed in July 2016. Details of the above-mentioned acquisition are disclosed in the Company's announcements dated 30 November 2015, 17 March 2016, 19 April 2016 and 27 July 2016.

There was no other interested person transaction, as defined in Chapter 9 of the Listing Manual of the SGX-ST, of S$100,000 or above entered into by the Group or by the Company during the period ended 30 June 2016. Although the provision of the guarantee by Dalian Huicheng Aluminium Industries Co., Ltd (which is ultimately owned by Mr. Chen Wei Ping, who is the Chairman of the Board) in relation to the bank loans to JMLA is an interested person transaction (as defined in Chapter 9 of the Listing Manual of the SGX-ST), there is no amount at risk to the Company arising from the provision of such corporate guarantee.

## 14. Negative assurance on interim-year financial statements

The Board of Directors hereby confirm that, to the best of its knowledge, nothing has come to its attention which may render the 2Q2016 financial results to be false or misleading in any material respect.

## 15. Status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the stated use.

Not applicable.

## 16. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual.

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

**BY ORDER OF THE BOARD**

**Patrick Chew Hwa Kwang**
**CEO**
**12 August 2016**