

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

- 1(a) **An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**Consolidated Income Statement**

	<b>Group</b>		
	<b>1st Quarter Ended</b>		
	<b>31-Mar-16</b>	<b>31-Mar-15</b>	<b>Increase/ (Decrease)</b>
	<b>S\$' 000</b>	<b>S\$' 000</b>	<b>%</b>
<b>Revenue</b>	5,501	7,967	(31)
Other income	668	2,712	(75)
Changes in inventories of work-in-progress and finished goods	(484)	(865)	(44)
Raw materials and consumables used	(1,327)	(4,336)	(69)
Staff and related costs	(2,105)	(2,425)	(13)
Depreciation of property, plant and equipment	(243)	(250)	(3)
Impairment loss on property, plant & equipment	-	(66)	NM
Other operating expenses	(1,978)	(2,252)	(12)
Results from operating activities	32	485	(93)
Finance income	58	32	81
Finance costs	(15)	(31)	(53)
Net finance income	43	1	NM
<b>Profit before income tax</b>	75	486	(85)
Income tax (expenses)/ credit	(4)	86	NM
<b>Profit for the period</b>	71	572	(88)
<b>Other comprehensive income :</b>			
<b>Items that are or may be reclassified subsequently to profit or loss</b>			
Exchange differences on monetary items forming part of net investment in foreign operations	224	(22)	NM
Realisation of foreign currency translation differences arising from liquidation of a subsidiary	-	(2,668)	NM
Translation differences relating to financial statements of foreign subsidiaries	(268)	(119)	NM
<b>Other comprehensive income for the period</b>	(44)	(2,809)	NM
<b>Total comprehensive income for the period</b>	27	(2,237)	NM
Profit /(Loss) for the period attributable to:			
- Owners of the parent	131	639	NM
- Non-controlling interests	(60)	(67)	NM
Profit for the period	71	572	NM
Total comprehensive income for the period attributable to:			
- Owners of the parent	85	(2,149)	NM
- Non-controlling interests	(58)	(88)	(34)
Total comprehensive income for the period	27	(2,237)	NM
Earnings per share			
- Basic	0.013 cent	0.079 cent	
- Diluted	0.013 cent	0.079 cent	

NM : not meaningful

**COMPACT METAL INDUSTRIES LTD**

Company Registration Number : 197500009H

**Unaudited Financial Statement And Dividend Announcement For The First Quarter Ended 31 March 2016**

**1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on the corresponding period of the immediately preceding financial year:-**

	<b>31-Mar-16</b>	<b>31-Mar-15</b>
	<b>S\$' 000</b>	<b>S\$' 000</b>
Reversal of doubtful receivables	-	(2)
Depreciation of property, plant and equipment	243	250
Impairment loss on property, plant & equipment	-	66
Exchange gain	(219)	(6)
Gain on disposal of property, plant and equipment	(4)	(110)
Interest income from financial institution	(58)	(32)
Interest on borrowings	15	31
Gain on liquidation of a subsidiary	-	(2,668)

**COMPACT METAL INDUSTRIES LTD**

Company Registration Number : 197500009H

**Unaudited Financial Statement And Dividend Announcement For The First Quarter Ended 31 March 2016**

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.

	<b>Group</b>		<b>Company</b>	
	<b>31-Mar-16</b>	<b>31-Dec-15</b>	<b>31-Mar-16</b>	<b>31-Dec-15</b>
	<b>S\$' 000</b>	<b>S\$' 000</b>	<b>S\$' 000</b>	<b>S\$' 000</b>
<b>Non-current assets</b>				
Property, plant and equipment	8,462	8,380	366	400
Investment properties	92	92	-	-
Subsidiaries	-	-	2,431	2,431
Long term receivables	3,363	3,345	3,675	3,716
	11,917	11,817	6,472	6,547
<b>Current assets</b>				
Inventories	8,984	8,480	1,204	765
Trade and other receivables	12,628	12,773	18,731	35,549
Other investments	2	2	1	1
Cash and cash equivalents	32,707	34,209	26,376	28,158
	54,321	55,464	46,312	64,473
<b>Total assets</b>	66,238	67,281	52,784	71,020
<b>Equity attributable to equity holders of the company</b>				
Share capital	139,447	139,447	139,447	139,447
Capital reserve	404	404	-	-
Revaluation reserve	2,453	2,475	-	-
Currency translation reserve	(6,865)	(6,819)	-	-
Accumulated losses	(76,554)	(76,707)	(111,131)	(110,979)
	58,885	58,800	28,316	28,468
<b>Non-controlling interests</b>	(3,476)	(3,418)	-	-
<b>Total equity</b>	55,409	55,382	28,316	28,468
<b>Non-current liabilities</b>				
Loans and borrowings	1	7	1	7
Long-term payables	850	810	816	754
Deferred tax liabilities	156	163	-	-
	1,007	980	817	761
<b>Current liabilities</b>				
Trade and other payables	6,600	8,014	21,409	39,124
Provision for warranties	969	969	748	748
Loans and borrowings	2,173	1,856	1,431	1,856
Current tax payable	80	80	63	63
	9,822	10,919	23,651	41,791
<b>Total liabilities</b>	10,829	11,899	24,468	42,552
<b>Total equity and liabilities</b>	66,238	67,281	52,784	71,020

**COMPACT METAL INDUSTRIES LTD**

Company Registration Number : 197500009H

**Unaudited Financial Statement And Dividend Announcement For The First Quarter Ended 31 March 2016****1(b)(ii) Aggregate amount of group's borrowings and debt securities.**

(a) Amount repayable in one year or less, or on demand

31-Mar-2016		31-Dec-15	
S\$' 000	S\$' 000	S\$' 000	S\$' 000
Secured	Unsecured	Secured	Unsecured
23	2,150	23	1,833

(b) Amount repayable after one year

31-Mar-2016		31-Dec-15	
S\$' 000	S\$' 000	S\$' 000	S\$' 000
Secured	Unsecured	Secured	Unsecured
1	-	7	-

**COMPACT METAL INDUSTRIES LTD**

Company Registration Number : 197500009H

**Unaudited Financial Statement And Dividend Announcement For The First Quarter Ended 31 March 2016****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.**

	<b>Group</b>	
	<b>1st Quarter Ended</b>	
	<b>31-Mar-16</b>	<b>31-Mar-15</b>
	<b>S\$' 000</b>	<b>S\$' 000</b>
<b>Operating Activities</b>		
Profit for the period	71	572
Adjustments for:		
Depreciation of property, plant and equipment	243	250
Impairment loss on property, plant and equipment	-	66
Interest on borrowings	15	31
Interest income from financial institutions	(58)	(32)
Gain on disposal of property, plant and equipment	(4)	(110)
Reversal of doubtful receivables	-	(2)
Gain on liquidation of a subsidiary	-	(2,668)
Income tax expense/ (credit)	4	(86)
	271	(1,979)
Changes in working capital:		
Inventories	(587)	1,575
Trade and other receivables	(18)	1,077
Trade and other payables	(1,450)	565
Cash generated from operations	(1,784)	1,238
Income tax paid	(12)	(2)
<b>Cash (used in)/ generated from operating activities</b>	<b>(1,796)</b>	<b>1,236</b>
<b>Investing Activities</b>		
Proceeds from sale of property, plant and equipment	4	1
Interest received	58	32
Purchase of property, plant and equipment	(162)	(752)
<b>Cash used in investing activities</b>	<b>(100)</b>	<b>(719)</b>
<b>Financing Activities</b>		
Payment of finance lease liabilities	(6)	(11)
Advances from bank term loans and trust receipts	936	1,926
Repayment of bank term loans and trust receipts	(1,361)	(2,054)
Proceeds from short term loans	742	-
Proceeds from allotment of shares	-	289
Interest paid	(15)	(31)
<b>Cash from financing activities</b>	<b>296</b>	<b>119</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(1,600)</b>	<b>636</b>
<b>Effect of exchange rate fluctuations on cash held</b>	<b>97</b>	<b>46</b>
<b>Cash and cash equivalents as at 1 January (excluding pledged deposits)</b>	<b>34,179</b>	<b>33,446</b>
<b>Cash and cash equivalents as at 31 March (excluding pledged deposits)</b>	<b>32,676</b>	<b>34,128</b>
<b>Represented by :</b>		
Cash at banks and in hands	11,445	8,365
Fixed deposits	21,262	25,797
Less : Fixed deposits pledged	(31)	(34)
<b>Cash and cash equivalents as at 31 March (excluding pledge deposits)</b>	<b>32,676</b>	<b>34,128</b>

**COMPACT METAL INDUSTRIES LTD**

Company Registration Number : 197500009H

**Unaudited Financial Statement And Dividend Announcement For The First Quarter Ended 31 March 2016**

**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 the capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Group	Attributable to owners of the parent						Non-controlling interests	Total equity
	Share capital	Capital reserve	Revaluation reserve	Currency translation reserve	Accumulated losses	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
As at 1-Jan-2016	139,447	404	2,475	(6,819)	(76,707)	58,800	(3,418)	55,382
Total comprehensive income for the period :								
Profit for the period	-	-	-	-	131	131	(60)	71
Other comprehensive income :								
Exchange differences on monetary items forming part of net investment in foreign operations	-	-	-	224	-	224	-	224
Realisation of revaluation reserve	-	-	(22)	-	22	-	-	-
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	(270)	-	(270)	2	(268)
Total other comprehensive income	-	-	(22)	(46)	22	(46)	2	(44)
Total comprehensive income	-	-	(22)	(46)	153	85	(58)	27
As at 31-Mar-2016	139,447	404	2,453	(6,865)	(76,554)	58,885	(3,476)	55,409
As at 1-Jan-2015	131,094	404	2,779	(4,139)	(70,820)	59,318	(3,092)	56,226
Total comprehensive income for the period :								
Profit for the period	-	-	-	-	639	639	(67)	572
Other comprehensive income :								
Exchange differences on monetary items forming part of net investment in foreign operations	-	-	-	(22)	-	(22)	-	(22)
Realisation of foreign currency translation differences arising from liquidation of a subsidiary	-	-	-	(2,668)	-	(2,668)	-	(2,668)
Realisation of revaluation reserve	-	-	(371)	-	371	-	-	-
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	(98)	-	(98)	(21)	(119)
Total other comprehensive income	-	-	(371)	(2,788)	371	(2,788)	(21)	(2,809)
Total comprehensive income	-	-	(371)	(2,788)	1,010	(2,149)	(88)	(2,237)
<b>Transactions with owners, recognised directly in equity</b>								
Issue of shares from warrants exercised	289	-	-	-	-	289	-	289
Total contributions by and distribution to owners	289	-	-	-	-	289	-	289
Total transaction with owners	289	-	-	-	-	289	-	289
As at 31-Mar-2015	131,383	404	2,408	(6,927)	(69,810)	57,458	(3,180)	54,278

**COMPACT METAL INDUSTRIES LTD**

Company Registration Number : 197500009H

**Unaudited Financial Statement And Dividend Announcement For The First Quarter Ended 31 March 2016**

- 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 the capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Attributable to owners of the Company		
	Share capital	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000
<b>Company</b>			
As at 1-Jan-2016	139,447	(110,979)	28,468
<b>Total comprehensive income for the period</b>			
Loss for the period	-	(152)	(152)
As at 31-Mar-2016	139,447	(111,131)	28,316
As at 1-Jan-2015	131,094	(108,578)	22,516
<b>Total comprehensive income for the period</b>			
Loss for the period	-	(1,030)	(1,030)
<b>Transactions with owners, recognised directly in equity</b>			
Issue of shares from warrants exercised	289	-	289
As at 31-Mar-2015	131,383	(109,608)	21,775

- 1(d)(ii) Details of changes in the Company's share capital arising from right issue, bonus issues, 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 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.**

During the financial period ended 31 March 2016, the Company has no increased in the issued and paid up share capital of the Company.

As at 31 March 2016, the Company has 347,659,701 outstanding warrants.

During the financial period ended 31 March 2015, the Company has issued 14,476,000 new shares from warrants exercised.

As at 31 March 2015, the Company has 352,351,701 outstanding warrants.

**COMPACT METAL INDUSTRIES LTD**

Company Registration Number : 197500009H

**Unaudited Financial Statement And Dividend Announcement For The First Quarter Ended 31 March 2016**

- 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.**

	Number of ordinary shares
As at 1-Jan-2016	979,515,759
Issue of shares from warrants exercised	-
As at 31-Mar-2016	979,515,759

- 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 review and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagement to Review Financial Statements), or an equivalent standard).**

The figures have not been audited nor reviewed by our auditors.

- 3 Whether the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis 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 adopted the same accounting policies and method of the computation in the financial statements for the current period as compared with the audited financial statements for financial year ended 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.**

The Group has adopted the new/revised Singapore Financial Reporting Standards (FRSs) that are mandatory for financial period beginning on and after 1 January 2016. The adoption of the new/revised FRSs does not have material financial impact on the Group's results.

- 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 ordinary share of the Group for the quarter based on net profit attributable to shareholders:-

Based on weighted average of 979,515,759 ordinary shares  
(2015: 810,202,910 ordinary shares)

On a fully diluted basis

Group	
3 Months Period Ended 31-Mar-16	3 Months Period Ended 31-Mar-15
0.013 cent	0.079 cent
0.013 cent	0.079 cent

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

Net asset value per ordinary share based on issued share capital of 979,515,759 ordinary shares (2015: 979,515,759 ordinary shares) as at 31 March 2016

Group		Company	
31-Mar-16	31-Dec-15	31-Mar-16	31-Dec-15
6.01 cent	6.00 cent	2.89 cent	2.91 cent



**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 year reported on.**

The Group's revenue decreased by 31% or \$2.4 million from \$7.9 million for first quarter ending 31 March 2015 (1Q2014) to \$5.5 million for the first quarter ending 31 March 2016 (1Q2016). The decrease was mainly due to lesser ongoing projects and sale of aluminium related products in 1Q2016 compared to 1Q2015.

Other income mainly comprises of rental income, exchange differences, gain on disposal of assets and sale of scrap. Other income decreased by \$2.0 million from \$2.7 million in 1Q2015 to \$0.7 million in 1Q2016 mainly due to an absence of \$2.6 million gain on liquidation of a subsidiary, however the decreased was partly offset by an exchange gain of \$0.2 million (1Q2015: \$0.4 million exchange loss).

Changes in inventories of work-in-progress, finished goods, raw materials and consumables used decreased mainly due to lesser sales and cost savings for projects which were mostly completed as accrued projects costs reversed out.

Staff and related costs decreased by \$0.3 million from \$2.4 million in 1Q2015 to \$2.1 million in 1Q2016 mainly due to lesser ongoing projects during the period.

Other operating expenses decreased by \$0.3 million from \$2.3 million in 1Q2015 to \$2.0 million in 1Q2016 mainly due to decrease in operating activities resulted from lower sales.

As a result, the Group has a profit before income tax of \$0.07 million in 1Q2016 compared to a profit before tax of \$0.5 million in 1Q2015.

Property, plant and equipment increased by \$0.1 million from \$8.4 million in FY2015 to \$8.5 million in 1Q2016 mainly due to additions during the period.

Inventories increased by \$0.5 million from \$8.5 million in FY2015 to \$9.0 million in 1Q2016 mainly due to increase in work in progress for ongoing projects.

Trade and other receivables for 1Q2016 and FY2015 consists of trade and accrued receivables net of provision for doubtful debts and a deposit of \$6.7 million placed with a contractor for the purchase of plant and equipment and for the construction of plant. The Group obtained approval during the EGM on 31 March 2015 to diversify into cement business. Alacem LLP, was incorporated as a subsidiary of the Group to carry out the cement business in Kazashstan.

Trade and other payables decreased from \$8.0 million in FY2015 to \$6.6 million in 1Q2016 mainly due to lower sales during ther period which resulted in lower operating activities and accrued project costs.

Loans and borrowings increased from \$1.9 million in FY2015 to \$2.2 million in 1Q2016 mainly due to increase in borrowings for working capital purposes.

The Group's cash and cash equivalents as at 31 March 2016 was \$32.7 million (31 December 2014: S\$34.2 million).

**9**

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

The 1Q 2016 financial results are in line with the comments made under paragraph 10 at 4Q2015.

**COMPACT METAL INDUSTRIES LTD**

Company Registration Number : 197500009H

**Unaudited Financial Statement And Dividend Announcement For The First Quarter Ended 31 March 2016**

- 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.**

The order book as of 31 March 2016 including variation orders was about S\$28.4 million (31 December 2015 : S\$27.6 million). The operating environment continues to be challenging. The Group will take steps to find ways to improve the Group's performance.

- 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? None.

**(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 recommended for the financial period ended 31 March 2016

- 13 If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transaction as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group has not obtained a general mandate for IPTs from the Group's shareholders.

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions under shareholders' mandate pursuant to Rule 920(excluding transaction less than \$100,000)
Zhongcai International Mohir Cement Limited Liability Company ("ZIMC")  - Unsecured, interest free loan from ZIMC, repayable within one year.  - ZIMC controlled by Mr Zhang Zengtao.	USD500,000	Not applicable

- 14 Confirmation by the Board pursuant to Clause 705(4) of the Listing Manual.**

The Board of Directors of the Company hereby confirms to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the financial period ended 31 March 2016 to be false or misleading in any material respect.

- 15 Use of proceeds**

The Board wishes to provide an update on the use of the net proceeds as follows:

	S\$'000
Net proceeds from Rights Issue	18,323
Net proceeds from Private Placement of 160,000,000 shares of \$0.05 each	7,970
Less:	
Use of proceeds	
Construction costs (including cost of materials for construction and construction services) and equipment and machinery for the new cement plant and business	(6,666)
Balance of net proceeds	19,627

There was no material disbursement of proceeds during the period.

The Board will continue to make periodic announcements on the utilisation of the balance of the proceeds as and when the proceeds are materially disbursed.

- 16 Undertaking from directors and executive officers**

The Company confirm it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720 (1)

**BY ORDER OF THE BOARD**

Zhang Zengtao  
Managing Director  
11-May-2016