

COMPACT METAL INDUSTRIES LTD
(the "**Company**")
(Company Registration No. 197500009H)
(Incorporated in the Republic of Singapore)

FURTHER EXTENSION OF LICENCE TERM FOR PRIVATE LOT A3002173 AT TUAS BAY DRIVE (THE "JTC LAND") – BUILDING AND OPERATION OF A COMMERCIAL PLANT (THE "PLANT") ON THE JTC LAND TO PULVERISE WASTE TYRES INTO CARBON BLACK POWDER (THE "PROJECT")

The board of directors of the Company refers to its circular to shareholders dated 9 September 2013 (the "**Circular**") in relation to the Project to be carried on by its subsidiary, AEL Enviro (Asia) Pte Ltd ("**AEL**").

In connection with the Project, AEL had obtained a three-year licence (the "**Licence**") over the JTC Land from 15 August 2013 (the "**Licence Term**") for the building of the Plant. The Licence Term was first extended to expire on 30 September 2017. The Licence Term has just been further extended to expire on 30 June 2018.

The Company had embarked on the Project in 2013 to diversify into the green/clean and renewable energy business. Due to differences with the other shareholder of AEL, the Company then decided to shelve the Project indefinitely, as disclosed in its announcement of 20 August 2014.

Following the Company's successful diversification into the cement business through its recent acquisition of a 65% equity interest in a cement plant in Tajikistan, the Company has been in negotiations with potential partners to explore the feasibility of continuing with the Project.

The Company will provide further updates to shareholders if there are any further developments.

BY ORDER OF THE BOARD
COMPACT METAL INDUSTRIES LTD

Zhang Zengtao
Managing Director

19 January 2017