



COMPACT METAL INDUSTRIES LTD

Company Registration Number 19750009H

Unaudited Financial Statement And Dividend Announcement For The Financial Year Ended 31 December 2017

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

	Group			Group		
	Fourth Quarter Ended			Year Ended		
	31-Dec-17	31-Dec-16	Increase/ (Decrease)	31-Dec-17	31-Dec-16	Increase/ (Decrease)
	S\$' 000	S\$' 000	%	S\$' 000	S\$' 000	%
Revenue	23,263	7,628	NM	42,881	25,622	67
Other income	155	681	(77)	354	1,452	(76)
Changes in inventories of work-in-progress and finished goods	3,073	(436)	NM	845	(2,973)	NM
Raw materials and consumables used	(9,722)	(2,496)	NM	(15,854)	(6,438)	NM
Staff and related costs	(1,833)	(1,844)	(1)	(9,477)	(8,467)	12
Depreciation of property, plant and equipment	(1,218)	(264)	NM	(1,864)	(1,022)	82
Impairment loss on property, plant and equipment	(63)	(60)	5	(63)	(60)	5
Other operating expenses	(7,152)	(1,855)	NM	(12,741)	(7,885)	62
Results from operating activities	6,503	1,354	NM	4,081	229	NM
Finance income	18	41	(56)	145	196	(26)
Finance costs	(162)	(30)	440	(235)	(86)	173
Net finance income	(144)	11	NM	(90)	110	(182)
Profit before income tax	6,359	1,365	NM	3,991	339	NM
Income tax credit/(expenses)	48	(56)	NM	72	(29)	NM
Profit for the period/year	6,407	1,309	NM	4,063	310	NM
Other comprehensive income						
Items that will not be reclassified to profit or loss:						
Net surplus on revaluation, net of tax - property, plant and equipment	394	122	NM	394	122	NM
Income tax on net surplus on revaluation of property, plant and equipment	(95)	(29)	NM	(95)	(29)	NM
Items that are or may not be reclassified subsequently to profit or loss :			NM			
Exchange differences on monetary items forming part of net investment in foreign operations	319	(223)	NM	179	(174)	NM
Realisation of foreign currency translation differences arising from liquidation of a subsidiary	-	363	(100)	-	363	(100)
Translation differences relating to financial statements of foreign subsidiaries	(1,737)	(546)	NM	(1,616)	(585)	NM
Other comprehensive income for the period/year, net of income tax	(1,119)	(313)	NM	(1,138)	(303)	NM
Total comprehensive income for the period/year	5,288	996	NM	2,925	7	NM
Loss for the period/year attributable to :						
- Owners of the parent	3,830	1,390	NM	1,704	581	NM
- Non-controlling interests	2,577	(81)	NM	2,359	(271)	NM
Profit for the period/year	6,407	1,309	NM	4,063	310	NM
Total comprehensive income for the period/year attributable to :						
- Owners of the parent	3,224	1,084	NM	1,061	286	NM
- Non-controlling interests	2,064	(88)	NM	1,864	(279)	NM
Total comprehensive income for the period/year	5,288	996	NM	2,925	7	NM
Profit per share						
- Basic	0.24 cent	0.14 cent		0.11 cent	0.06 cent	
- Diluted	0.24 cent	0.14 cent		0.11 cent	0.06 cent	

NM : not meaningful

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1(a)(i) Profit before taxation is stated after charging/(crediting) the followings:-

	Group		Group	
	Fourth Quarter Ended		Year Ended	
	31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16
	S\$' 000	S\$' 000	S\$' 000	S\$' 000
Allowance for doubtful debts	35	-	35	25
Bad debts recovered	(17)	-	(21)	-
Depreciation of property, plant and equipment	1,218	264	1,864	1,022
Impairment loss on property, plant & equipment	63	60	63	60
Reversal of obsolete inventories	(152)	(189)	(152)	(189)
Exchange loss / (gain)	428	(501)	623	(47)
Loss/(gain) on disposal of property, plant and equipment	4	(21)	3	(25)
Interest income from financial institution	(18)	(41)	(145)	(196)
Change in fair value of investment properties	(17)	(10)	(17)	(10)
Interest on borrowings	163	30	236	86
Loss on liquidation of a subsidiary	-	363	-	363

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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.

	Group		Company	
	31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16
	S\$' 000	S\$' 000	S\$' 000	S\$' 000
Non-current assets				
Property, plant and equipment	135,305	7,725	537	372
Investment properties	119	100	-	-
Subsidiaries	-	-	200,566	2,431
Long term receivables	2,666	2,916	2,538	3,254
Goodwill on consolidation	90,537	-	-	-
Intangible Asset	360	-	-	-
	<u>228,987</u>	<u>10,741</u>	<u>203,641</u>	<u>6,057</u>
Current assets				
Inventories	20,347	10,477	2,715	1,244
Trade and other receivables	35,250	14,669	16,822	22,355
Other investments	2	2	-	1
Cash and cash equivalents	28,601	32,435	12,972	27,426
	<u>84,200</u>	<u>57,583</u>	<u>32,509</u>	<u>51,026</u>
Total assets	<u>313,187</u>	<u>68,324</u>	<u>236,150</u>	<u>57,083</u>
Share capital and reserves				
Share capital	323,133	143,133	323,133	143,133
Capital reserve	404	404	-	-
Revaluation reserve	2,651	2,453	-	-
Currency translation reserve	(8,149)	(7,207)	-	-
Accumulated losses	(74,206)	(76,011)	(127,610)	(126,228)
	<u>243,833</u>	<u>62,772</u>	<u>195,523</u>	<u>16,905</u>
Non-controlling interests	46,344	(3,697)	-	-
Total equity	<u>290,177</u>	<u>59,075</u>	<u>195,523</u>	<u>16,905</u>
Non-current liabilities				
Loans and borrowings	136	-	136	-
Long-term payables	716	846	670	812
Deferred tax liabilities	109	120	-	-
	<u>961</u>	<u>966</u>	<u>806</u>	<u>812</u>
Current liabilities				
Trade and other payables	14,136	3,830	35,433	35,341
Provision for warranties	635	829	610	699
Loans and borrowings	7,219	3,491	3,723	3,209
Current tax payable	59	133	55	117
	<u>22,049</u>	<u>8,283</u>	<u>39,821</u>	<u>39,366</u>
Total liabilities	<u>23,010</u>	<u>9,249</u>	<u>40,627</u>	<u>40,178</u>
Total equity and liabilities	<u>313,187</u>	<u>68,324</u>	<u>236,150</u>	<u>57,083</u>

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

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

31-Dec-17		31-Dec-16	
S\$' 000	S\$' 000	S\$' 000	S\$' 000
Secured	Unsecured	Secured	Unsecured
23	7,196	7	3,484

(b) Amount repayable after one year

31-Dec-17		31-Dec-16	
S\$' 000	S\$' 000	S\$' 000	S\$' 000
Secured	Unsecured	Secured	Unsecured
136	-	-	-

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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.

	Group		Group	
	Fourth Quarter Ended		Year Ended	
	31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16
	S\$' 000	S\$' 000	S\$' 000	S\$' 000
Operating Activities				
Profit for the period/year	6,407	1,309	4,063	310
Adjustments for:				
Gain on disposal of property, plant and equipment	4	(21)	3	(25)
Depreciation of property, plant and equipment	1,218	264	1,864	1,022
Impairment loss on property, plant and equipment	63	60	63	60
Changes in fair value on investment properties	(17)	(10)	(17)	(10)
Interest on borrowing	162	30	235	86
Interest income from financial institutions	(18)	(41)	(145)	(196)
Reversal of obsolete inventories	(152)	(189)	(152)	(189)
Allowance for doubtful receivables	35	-	35	25
Loss on liquidation of a subsidiary	-	363	-	363
Reversal of provision for warranties	(194)	(50)	(194)	(140)
Bad debts recovered	(17)	-	(21)	-
Income tax credit	(48)	56	(72)	29
	7,443	1,771	5,662	1,335
Changes in working capital:				
Inventories	(620)	552	(3,568)	(1,990)
Trade and other receivables	(620)	(1,533)	1,766	(1,797)
Trade and other payables	(490)	(1,318)	1,560	(4,229)
Cash used in operations	5,713	(528)	5,420	(6,681)
Income tax paid	(24)	(8)	(108)	(48)
Cash generated from/(used in) operating activities	5,689	(536)	5,312	(6,729)
Investing Activities				
Interest received	18	41	145	196
Acquisition of subsidiary, net of cash acquired	3,566	-	3,566	-
Proceeds from sale of property, plant and equipment	10	3	11	7
Deposit placed for acquisition of property, plant and equipment	(7,130)	-	(7,130)	-
Activities related to planned acquisition of cement plant	(498)	-	(1,792)	-
Purchase of property, plant and equipment	(1,543)	(144)	(2,285)	(391)
Cash used in investing activities	(5,577)	(100)	(7,485)	(188)
Financing Activities				
Proceeds from finance lease liabilities	-	-	153	-
Advances from trust receipts	2,018	620	7,288	5,307
Repayment of trust receipts	(2,253)	(1,169)	(6,790)	(3,938)
Proceed from short term loans	-	-	-	743
Repayment of short term loans	(1,656)	(461)	(1,929)	(461)
(Increase)/ decrease in deposit pledged	-	(8)	-	(8)
Interest paid	(162)	(30)	(235)	(86)
Payment of finance lease liabilities	-	(6)	-	(23)
Proceeds from allotment of shares	-	3,550	-	3,686
Cash (used in)/from financing activities	(2,053)	2,496	(1,513)	5,220
(Net decrease)/increase in cash and cash equivalents	(1,941)	1,860	(3,686)	(1,697)
Effect of exchange rate fluctuations on cash held	(8)	(122)	(150)	(85)
Cash and cash equivalents as at beginning of period/year (excluding pledged deposits)	30,511	30,659	32,398	34,179
Cash and cash equivalents as at end of period/year (excluding pledged deposits)	28,562	32,397	28,562	32,397
Represented by :				
Cash at banks & in hands	20,489	9,638	20,489	9,638
Fixed deposits	8,112	22,797	8,112	22,797
Less : Fixed deposits pledged	(39)	(38)	(39)	(38)
Cash and cash equivalents as at end of the period/year	28,562	32,397	28,562	32,397

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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 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	
Group								
As at 1 Jan 2017	143,133	404	2,453	(7,207)	(76,011)	62,772	(3,697)	59,075
Total comprehensive profit for the year :								
Profit for the year	-	-	-	-	1,704	1,704	2,359	4,063
Other comprehensive income :								
Exchange differences on monetary items forming part of net investment in foreign operations	-	-	-	179	-	179	-	179
Realisation of revaluation reserve	-	-	(101)	-	101	-	-	-
Net surplus on revaluation of property, plant and equipment	-	-	394	-	-	394	-	394
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	(1,121)	-	(1,121)	(495)	(1,616)
Income tax on net surplus on revaluation of property, plant and equipment	-	-	(95)	-	-	(95)	-	(95)
Total other comprehensive income	-	-	198	(942)	101	(643)	(495)	(1,138)
Total comprehensive income	-	-	198	(942)	1,805	1,061	1,864	2,925
Transactions with owners, recognised directly in equity								
Issue of shares	180,000	-	-	-	-	180,000	-	180,000
Total contributions by and distribution to owners	180,000	-	-	-	-	180,000	-	180,000
Changes in ownership interests in subsidiaries								
Acquisition of subsidiary under common control	-	-	-	-	-	-	48,177	48,177
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	48,177	48,177
As at 31 December 2017	323,133	404	2,651	(8,149)	(74,206)	243,833	46,344	290,177

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	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	
As at 1 Jan 2016	139,447	404	2,475	(6,819)	(76,707)	58,800	(3,418)	55,382
Total comprehensive profit for the year :								
Profit for the year	-	-	-	-	581	581	(271)	310
Other comprehensive income :								
Exchange differences on monetary items forming part of net investment in foreign operations	-	-	-	(174)	-	(174)	-	(174)
Realisation of foreign currency translation arising from liquidation of a subsidiary	-	-	-	363	-	363	-	363
Realisation of revaluation reserve	-	-	(115)	-	115	-	-	-
Net surplus on revaluation on property, plant and equipment	-	-	122	-	-	122	-	122
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	(577)	-	(577)	(8)	(585)
Income tax on net surplus on revaluation of property, plant and equipment	-	-	(29)	-	-	(29)	-	(29)
Total other comprehensive income	-	-	(22)	(388)	115	(295)	(8)	(303)
Total comprehensive income	-	-	(22)	(388)	696	286	(279)	7
Transactions with owners, recognised directly in equity								
Issue of shares from warrants exercised	3,686	-	-	-	-	3,686	-	3,686
Total contributions by and distribution to owners	3,686	-	-	-	-	3,686	-	3,686
As at 31 December 2016	143,133	404	2,453	(7,207)	(76,011)	62,772	(3,697)	59,075

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
Company			
As at 1 Jan 2017	143,133	(126,228)	16,905
Total comprehensive income for the year			
Loss for the year	-	(1,382)	(1,382)
Transactions with owners, recognised directly in equity			
Issue of shares	180,000	-	180,000
As at 31 December 2017	323,133	(127,610)	195,523
As at 1 Jan 2016	139,447	(110,979)	28,468
Total comprehensive income for the year			
Loss for the year	-	(15,249)	(15,249)
Transactions with owners, recognised directly in equity			
Issue of shares from warrants exercised	3,686	-	3,686
As at 31 December 2016	143,133	(126,228)	16,905

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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.

On 27 November 2017, the Company has issued 4,500,000,000 new shares for \$180 million to acquire the entire issued and paid up share capital of HYD Tajikistan Investment Pte Ltd from Victory Gate Ventures Limited which holds 65% equity interest in International manufacturing Company Chzhungtsai Mohir Cement Limited Liability Company.

As at 31 December 2017, the Company has no outstanding warrants.

During the financial period ended 31 December 2016, the Company issued 184,300,660 new shares from warrants exercised.

On 10 November 2016, 163,359,041 unexercised warrants expired. As at 31 December 2016, the Company has no outstanding warrants.

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 2017	1,163,816,419
Issue of shares	4,500,000,000
As at 31 Dec 2017	5,663,816,419

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 2016.

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 2017. 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 period based on net profit attributable to shareholders:-

Based on weighted average of 1,595,323,268 ordinary shares
(2016: 1,014,296,000 ordinary shares)

On a fully diluted basis

Group	
Year Ended 31-Dec-17	Year Ended 31-Dec-16
0.11 cent	0.06 cent
0.11 cent	0.06 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 5,663,816,419 ordinary shares (2016: 1,163,816,419 ordinary shares) as at 31 December 2017

Group		Company	
31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16
4.31 cent	5.39 cent	3.45 cent	1.45 cent

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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 increased by \$15.6 million from \$7.6 million for fourth quarter ending 31 December 2016 (4Q2016) to \$23.3 million for the fourth quarter ending 31 December 2016 (4Q2016), and revenue increased by \$17.2 million from \$25.6 million for the year ended 31 December 2016 (FY2016) to \$42.9 million for year ended 31 December 2017 (FY2017). The increased was due to inclusion of revenue from International Manufacturing Company Chzhungtsai Mohir Cement Limited Liability Company, a new subsidiary which was acquired in October 2017. The Group acquired the entire equity interest in HYD Tajikistan Investment Pte Ltd. from Victory Gate Ventures Limited which holds a 65% equity interest in International Manufacturing Company Chzhungtsai Mohir Cement Limited Liability Company (HYD Group).

Other income mainly comprises of rental income, exchange differences, gain on disposal of assets and sale of scrap. Other income decreased by \$0.5 million from \$0.7 million in 4Q2016 to \$0.2 million in 4Q2017 mainly due to absence of an exchange gain of \$0.5 million in 4Q2017 compared to 4Q2016, and decreased by \$1.0 million from \$1.4 million in FY2016 to \$0.4 million in FY2017 mainly due to absence of rental income as the Group has reduced its rented out area significantly.

Changes in inventories of work-in-progress, finished goods, raw materials and consumables used increased mainly due to higher sales for 4Q2017 and FY2017.

Staff and related costs remained the same for 4Q2017 and 4Q2016 at \$1.8 million even after including HYD Group mainly due to lesser staff bonuses accrued to be paid out subsequent to year end. Staff and related costs increased by \$1.0 million from \$8.5 million in FY2016 to \$9.5 million in FY2017 mainly due to higher sales and more ongoing projects of the aluminium business.

Depreciation increased by \$0.9 million from \$0.3 million in 4Q2016 to \$1.2 million and from \$1 million in FY2016 to \$1.9 million in FY2017 mainly due to inclusion of depreciation from the newly acquired HYD Group.

Other operating expenses increased by \$5.3 million from \$1.9 million in 4Q2016 to \$7.2 million in 4Q2017 and increased by \$4.8 million from \$7.9 million in FY2016 to \$12.7 million in FY2017 mainly due to professional fees and other related expenses of \$2.0 million incurred for listing matters and the acquisition of a cement plant, and inclusion of the newly acquired HYD Group expenses.

As a result, the Group has a profit before income tax of \$6.3 million in 4Q2017 and \$4.0 million in FY2017 compared to a \$1.4 million in 4Q2016 and \$0.3 million in FY2016.

Property, plant and equipment increased by \$127.6 million from \$7.7 million in FY2016 to \$135.3 million in FY2017 mainly due inclusion of the newly acquired subsidiary, HYD Group's property plant and equipment.

Long term receivables decreased by \$0.2 million from \$2.9 million in FY2016 to \$2.7 million in FY2017 mainly due to completion of projects in which the retention sum was refunded by the main contractor to the Group.

Goodwill on consolidation arose from the acquisition of HYD Group was provisionally determined to be \$90.5 million.

The Group has 12 months from the acquisition date to finalise the Purchase Price Allocation ("PPA"). Upon finalisation of the PPA, the accounting for the acquisition applied for FY2017 will need to be revised.

The increase in inventories, trade and other receivables, trade and other payables and loans and borrowings was mainly due to the acquisition of HYD Group.

The Group's cash and cash equivalents as at 31 December 2017 was \$28.6 million (31 December 2016: S\$32.4 million).

Reportable Segment

Project Segment

This segment focused on the business of supply and installation of aluminium windows and doors for residential projects in both public and private sectors in Singapore. Revenue for FY2017 was \$13.3 million, an decrease of 6.3% from \$14.2 million reported in FY2016.

Aluminium related products segment

The aluminium related product segment reported a increase of 9.6% revenue from \$11.4 million in FY2016 to \$12.5 million in FY2017.

Cement segment

The cement segment reported a revenue of \$17.2 million in FY2017.

Energy related products and services and Others segment

The Group had shelved the project indefinitely since FY2014. The energy related products and services segment has not commenced production yet.

Geographical segment

Singapore's segment increased by 3.9% from \$18.6 million in FY2016 to \$17.9 million in FY2017 mainly due to decreased in revenue from projects. The revenue from Malaysia segment increased from \$7.0 million in FY2016 to \$7.8 million in FY2017 due to increase in revenue from the aluminium related products segment. Tajikistan's revenue which only contributed to the Group in FY2017 is \$17.2 million.

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

The 4Q 2017 financial results are in line with the comments made under paragraph 10 of 3Q 2017.

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.

Aluminium

The order book as of 31 December 2017 including variation orders was about \$23.1 million (30 September 2017 : \$20.1 million). These projects are expected to be completed progressively over the next 3 years

The project relate to public and private building projects in Singapore. The supply of these projects determined by the private sector developers for private sector and HDB for public sector. The supply of residential units are low currently, this will in turn affect the next reporting period and next 12 months. The operating environment for the aluminium business continues to be challenging.

Cement

The cement plant is located in Republic of Tajikistan where most of the infrastructure and buildings in the country are old and the government is planning to increase the investment in and reconstruction of the country's infrastructure. Thus, the demand for quality building materials is expected to increase with the growth of Tajikistan's economy. In addition, urbanisation in Tajikistan and its globalisation through China's infrastructure investment in China's "One Belt One Road" initiative will also increase the demand for cement.

Furthermore, the cement plant is located in the Khatlon Region where currently there is only one main competitor, and the threat of new entrants is low due to high barriers of entry. The group is prudently optimistic of performance of the Tajikistan cement plant.

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/recommendeded, a statement to that effect.

No dividend has been recommended for the financial year ended 31 December 2017.

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.

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 year ended 31 December 2017 to be false or misleading in any material respect.

COMPACT METAL INDUSTRIES LTD

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Unaudited Financial Statement And Dividend Announcement For The Financial Year Ended 31 December 2017

14(a) Information about reportable segment profit or loss, assets and liabilities

Reportable segments are operating segments that are based on differences in products & services.

	Project	Aluminium related products	Investment holding	Cement	Energy related products and services and Others	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
FY 2017						
Revenue from external customers	13,253	12,456	-	17,172	-	42,881
Intersegment revenue	8,215	5,746	43	-	-	14,004
Interest revenue	145	-	-	-	-	145
Interest expense	(103)	-	-	(132)	-	(235)
Depreciation of property, plant and equipment	(217)	(454)	(197)	(996)	-	(1,864)
Unallocated expenses	-	-	-	-	-	-
Reportable segment profit/(loss) before income tax	(285)	(909)	(235)	7,252	(40)	5,783
Unallocated expenses	-	-	-	-	-	(1,792)
Income tax (expense)/credit	-	88	(16)	-	-	72
Reportable segment profit/(loss) for the year	(285)	(821)	(251)	7,252	(40)	4,063
Other material non-cash items :						
Changes in fair value on investment properties	4	13	-	-	-	17
Reversal of obsolete inventories	(75)	(77)	-	-	-	(152)
Allowance for doubtful receivables	29	6	-	-	-	35
Bad debts recovered	21	-	-	-	-	21
Impairment loss on property, plant and equipment	-	-	55	8	-	63
Reportable segment assets	14,185	18,803	3,286	186,336	40	222,650
Expenditure for reportable segment non-current assets	(332)	(423)	-	(1,530)	-	(2,285)
Reportable segment liabilities	3,542	1,175	19	13,716	625	19,077

	Project	Aluminium related products	Investment holding	Cement	Energy related products and services and Others	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
FY 2016						
Revenue from external customers	14,175	11,447	-	-	-	25,622
Intersegment revenue	9,424	4,251	58	-	-	13,733
Interest revenue	196	-	-	-	-	196
Interest expense	(86)	-	-	-	-	(86)
Depreciation of property, plant and equipment	(194)	(620)	(206)	(2)	-	(1,022)
Reportable segment profit/(loss) before income tax	2,582	(936)	(452)	(504)	(351)	339
Income tax (expense)/credit	(54)	43	(18)	-	-	(29)
Reportable segment profit/(loss) for the year	2,528	(893)	(470)	(504)	(351)	310
Other material non-cash items :						
Changes in fair value on investment properties	-	10	-	-	-	10
Reversal of obsolete inventories	(88)	(101)	-	-	-	(189)
Allowance for doubtful receivables	6	19	-	-	-	25
Impairment loss on property, plant and equipment	-	-	60	-	-	60
Reportable segment assets	38,893	18,420	3,612	7,334	65	68,324
Expenditure for reportable segment non-current assets	(125)	(193)	-	(73)	-	(391)
Reportable segment liabilities	3,878	1,044	17	349	637	5,925

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14(b) Reconciliation of reportable segment revenue, profit or loss, assets, liabilities and other material items

	FY 2017 S\$'000	FY 2016 S\$'000
Revenue		
Total revenue for reportable segments	56,885	39,356
Elimination of inter-segment revenue	(14,004)	(13,734)
Consolidated revenue	42,881	25,622
Profit/(loss) before income tax		
Total profit/(loss) for reportable segments	5,783	339
	5,783	339
Assets		
- Allocated assets	222,650	68,324
- Unallocated assets	90,537	-
Consolidated total assets	313,187	68,324
Liabilities		
Total liabilities for reportable segments		
- Allocated liabilities	19,077	5,925
- Unallocated liabilities - loans and borrowings and deferred tax liabilities	3,933	3,324
- Consolidated total liabilities	23,010	9,249
Other material items		
- Depreciation of property, plant and equipment	(1,864)	(1,022)
Consolidated depreciation of property, plant and equipment	(1,864)	(1,022)
- Capital expenditure	(2,285)	(391)
Consolidated capital expenditure	(2,285)	(391)
- Impairment loss on property, plant and equipment	63	60
Consolidated impairment loss on property, plant and equipment	63	60
- Changes in fair value on investment properties	17	10
Consolidated changes in fair value on investment properties	17	10
- Reversal of obsolete inventories	(152)	(189)
Consolidated reversal of obsolete inventories	(152)	(189)
- Allowance for doubtful receivables	35	25
Consolidated allowance for doubtful receivables	35	25

14(c) Information about geographical areas

Revenues from external customers are attributed to the group member entities' country of domicile. Assets are based on the geographical location of the assets.

	Singapore S\$'000	Malaysia S\$'000	Kazakhstan S\$'000	Tajikistan S\$'000	Total S\$'000
FY 2017					
Revenue	17,930	7,779	-	17,172	42,881
Non-current assets	2,752	7,450	913	127,335	138,450
Goodwill	90,537	-	-	-	90,537
Capital expenditure	325	430	313	1,217	2,285
FY 2016					
Revenue	18,586	7,036	-	25,622	
Non-current assets	2,810	7,281	650	10,741	
Capital expenditure	109	209	73	391	

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15 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Refer to Note 8

16 A breakdown of sales

- 16(a)** Sales reported for first half year
- 16(b)** Operating loss after tax before deducting Non-controlling interests reported for first half year
- 16(c)** Sales reported for second half year
- 16(d)** Operating profit/(loss) after tax before deducting Non-controlling interests reported for second half year

Group		
FY 2017	FY 2016	Change
S\$'000	S\$'000	%
13,493	12,116	11%
(396)	(1,124)	-65%
29,388	13,506	118%
4,459	1,434	211%

17 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to the Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Detail of changes in duties and position held, if any, during the year
Chng Beng Leong	50	Brother of Mr Chng Beng Hua, Chief Executive Officer of the Company.	Chief Administrative Officer appointed on 01 November 2013 to handle all administrative functions, planning, and implementation of policies for the Group	No change
Chng Tze Sian Milton	23	Son of Mr Chng Beng Hua, Chief Executive Officer of the Company.	Business Development Manager (Special Projects) appointed on 03 January 2017 to oversee business development function.	No change

18 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 in FY2013	18,323
Net proceeds from Private Placement of 160,000,000 shares of \$0.05 each in FY2015	7,970
Less:	
<u>Use of proceeds</u>	
Construction costs (including cost of materials for construction and construction services) and equipment and machinery for the new cement plant and business in FY2015	(6,666)
Additional construction costs (including cost of materials for construction and construction services) and equipment and machinery for the new cement plant in Kazakhstan, Almaty	(6,200)
Balance of net proceeds	13,427

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.

19 Undertaking from directors and executive officers

The Company confirms 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
 26 February 2018