

**COMPACT METAL INDUSTRIES LTD**

(Incorporated in Singapore)  
(Company Registration No. 197500009H)  
(the "**Company**")

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**COMMENCEMENT OF FULL-SCALE CONSTRUCTION OF CEMENT PLANT IN ALMATY, KAZAKHSTAN**

**INCREASE IN SHAREHOLDING OF SUBSIDIARY**

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The Board of Directors of the Company ("**Board**") refers to its circular dated 16 March 2015 and its announcements dated 7 July 2015 and 16 February 2017. The Board is pleased to announce that its subsidiary Alacem LLP has completed the ground preparatory work for the construction of the cement plant in Almaty, Kazakhstan, and full-scale construction for the cement plant has commenced.

The Company's original indirect shareholding in Alacem LLP has been increased from 60% to 87.5% following the transfer by Mr Nurzhan Shakirov, the existing local partner, of 275,000 shares ("**Acquired Shares**") in Alacem LLP, to International Cement Kazakhstan Pte Ltd, an indirect wholly-owned subsidiary of the Company for an aggregate consideration of KZT 275,000 (approximately S\$1,130) and was arrived at on a willing-buyer and willing-seller basis, taking into consideration the charter capital of Alacem LLP of KZT 1,000,000.

*For the purposes of this announcement, the exchange rate of SGD 1 = KZT 0.004110 has been used.*

**BY ORDER OF THE BOARD**

Zhang Zengtao  
Executive Director and Managing Director

18 May 2018