



COMPACT METAL INDUSTRIES LTD

Company Registration Number : 197500009H

Unaudited Financial Statement And Dividend Announcement For The First Quarter Ended 31 March 2014

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		
	1st Quarter Ended		
	31-Mar-14	31-Mar-13	Increase/ (Decrease)
	S\$' 000	S\$' 000	%
Revenue	8,596	8,443	2
Other income	598	1,009	(41)
Changes in inventories of work-in-progress and finished goods	(219)	427	NM
Raw materials and consumables used	(3,916)	(3,408)	15
Staff and related costs	(3,307)	(3,345)	(1)
Depreciation of property, plant and equipment	(209)	(120)	75
Other operating expenses	(2,380)	(2,590)	(8)
Results from operating activities	(837)	416	NM
Finance income	35	19	79
Finance costs	(9)	(16)	(45)
Net finance income/(cost)	26	3	NM
(Loss)/profit before income tax	(811)	419	NM
Income tax expenses	(1)	(2)	(28)
(Loss)/profit for the period	(812)	417	NM
Other comprehensive income :			
Exchange differences on monetary items forming part of net investment in foreign operations	(78)	168	NM
Translation differences relating to financial statements of foreign subsidiaries	106	(324)	NM
Other comprehensive income for the period	28	(156)	(118)
Total comprehensive income for the period	(784)	261	NM
(Loss)/profit for the period attributable to:			
- Owners of the parent	(745)	495	NM
- Non-controlling interests	(67)	(78)	NM
(Loss)/profit for the period	(812)	417	(295)
Total comprehensive income for the period attributable to:			
- Owners of the parent	(717)	339	NM
- Non-controlling interests	(67)	(78)	NM
Total comprehensive income for the period	(784)	261	NM
(Loss)/earnings per share			
- Basic	(0.11) cent	0.21 cent	
- Diluted	(0.08) cent	0.21 cent	

NM : not meaningful

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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:-

	31-Mar-14	31-Mar-13
	S\$' 000	S\$' 000
Allowance for obsolete inventories	-	12
Reversal of doubtful receivables	-	(9)
Depreciation of property, plant and equipment	209	120
Exchange loss/(gain)	99	(210)
Gain on disposal of property, plant and equipment	(3)	-
Interest income from financial institution	(35)	(19)
Amortisation of deferred revenue	(268)	(268)
Amortisation of prepaid lease	32	-
Interest on borrowings	9	16

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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-Mar-14 S\$' 000	31-Dec-13 S\$' 000	31-Mar-14 S\$' 000	31-Dec-13 S\$' 000
Non-current assets				
Property, plant and equipment	14,057	13,253	194	210
Investment properties	638	639	-	-
Subsidiaries	-	-	9,531	9,531
Long term receivables	4,460	4,291	4,094	3,901
Prepaid lease	3,825	3,857	-	-
	22,980	22,040	13,819	13,642
Current assets				
Inventories	11,993	12,820	1,434	1,484
Trade and other receivables	6,415	7,720	49,701	48,641
Other investments	3	3	1	1
Cash and cash equivalents	33,432	33,621	27,488	29,592
Asset classified as held for sale	1,196	1,196	-	-
	53,039	55,360	78,624	79,718
Total assets	76,019	77,400	92,442	93,360
Equity attributable to equity holders of the company				
Share capital	129,214	129,102	129,214	129,102
Capital reserve	404	404	-	-
Revaluation reserve	2,682	2,714	-	-
Currency translation reserve	(3,751)	(3,779)	-	-
Accumulated losses	(63,884)	(63,171)	(78,609)	(78,598)
	64,665	65,270	50,605	50,504
Non-controlling interests	(439)	(372)	-	-
Total equity	64,226	64,898	50,605	50,504
Non-current liabilities				
Obligations under finance lease	51	62	51	59
Long-term payables	1,270	802	1,250	1,279
Deferred tax liabilities	338	349	-	-
	1,659	1,213	1,301	1,338
Current liabilities				
Trade and other payables	7,639	7,410	38,345	37,946
Provision for warranties	951	951	670	670
Current portion of amounts owing to financial institutions	396	1,510	396	1,510
Current portion of obligations under finance lease	47	49	29	29
Deferred revenue	536	804	536	803
Current tax payable	565	565	560	560
	10,134	11,289	40,536	41,518
Total liabilities	11,793	12,502	41,837	42,856
Total equity and liabilities	76,019	77,400	92,442	93,360

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

31-Mar-2014		31-Dec-13	
S\$' 000	S\$' 000	S\$' 000	S\$' 000
Secured	Unsecured	Secured	Unsecured
47	396	49	1,510

(b) Amount repayable after one year

31-Mar-2014		31-Dec-13	
S\$' 000	S\$' 000	S\$' 000	S\$' 000
Secured	Unsecured	Secured	Unsecured
51	-	62	-

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Unaudited Financial Statement And Dividend Announcement For The First Quarter Ended 31 March 2014**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	
	1st Quarter Ended	
	31-Mar-14	31-Mar-13
	S\$' 000	S\$' 000
Operating Activities		
(Loss)/profit for the period	(812)	417
Adjustments for:		
Depreciation of property, plant and equipment	209	120
Interest on borrowings	9	16
Interest income from financial institutions	(35)	(19)
Amortisation of deferred revenue	(268)	(268)
Amortisation of prepaid lease	32	-
Gain on disposal of property, plant and equipment	(3)	-
Allowance for obsolete inventories	-	12
Reversal of doubtful receivables	-	(9)
Bad debts recovered	-	(24)
Income tax expense	1	2
	(867)	247
Changes in working capital:		
Inventories	842	(1,778)
Trade and other receivables	1,159	1,225
Trade and other payables	710	(199)
Cash generated from operations	1,844	(505)
Income tax paid	(12)	(13)
Cash from/(used in) operating activities	1,832	(518)
Investing Activities		
Interest received	35	19
Purchase of property, plant and equipment	(1,042)	(140)
Cash used in investing activities	(1,007)	(121)
Financing Activities		
Payment of finance lease liabilities	(13)	(13)
Advances from bank term loans and trust receipts	-	2,620
Repayment of bank term loans and trust receipts	(1,114)	(1,649)
Proceeds from allotment of shares	112	-
Interest paid	(9)	(16)
Cash (used in)/from financing activities	(1,024)	942
Net (decrease)/increase in cash and cash equivalents	(199)	303
Effect of exchange rate fluctuations on cash held	10	(11)
Cash and cash equivalents as at 1 January (excluding pledged deposits)	29,088	14,364
Cash and cash equivalents as at 31 March (excluding pledged deposits)	28,899	14,656
Represented by :		
Cash at banks and in hands	8,562	5,567
Fixed deposits	24,870	13,398
Less : Fixed deposits pledged	(4,533)	(4,309)
Cash and cash equivalents as at 31 March (excluding pledge deposits)	28,899	14,656

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Unaudited Financial Statement And Dividend Announcement For The First Quarter Ended 31 March 2014

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					Total	Non-controlling interests	Total equity
	Share capital	Capital reserve	Revaluation reserve	Currency translation reserve	Accumulated losses			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000			
Group								
As at 1-Jan-2014	129,102	404	2,714	(3,779)	(63,171)	65,270	(372)	64,898
Total comprehensive income for the period :								
Loss for the period	-	-	-	-	(745)	(745)	(67)	(812)
Other comprehensive income :								
Exchange differences on monetary items forming part of net investment in foreign operations	-	-	-	(78)	-	(78)	-	(78)
Realisation of revaluation reserve	-	-	(32)	-	32	-	-	-
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	106	-	106	-	106
Total other comprehensive income	-	-	(32)	28	32	28	-	28
Total comprehensive income	-	-	(32)	28	(713)	(717)	(67)	(784)
Issue of shares from warrants exercised	112	-	-	-	-	112	-	112
As at 31-Mar-2014	129,214	404	2,682	(3,751)	(63,884)	64,665	(439)	64,226
As at 1-Jan-2013	110,770	404	3,781	(3,414)	(69,004)	42,537	33	42,570
Total comprehensive income for the period :								
Profit for the period	-	-	-	-	495	495	(78)	417
Other comprehensive income :								
Exchange differences on monetary items forming part of net investment in foreign operations	-	-	-	168	-	168	-	168
Realisation of revaluation reserve	-	-	(18)	-	18	-	-	-
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	(324)	-	(324)	-	(324)
Total other comprehensive income	-	-	(18)	(156)	18	(156)	-	(156)
Total comprehensive income	-	-	(18)	(156)	513	339	(78)	261
As at 31-Mar-2013	110,770	404	3,763	(3,570)	(68,491)	42,876	(45)	42,831

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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 Company		
	Share capital	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000
Company			
As at 1-Jan-2014	129,102	(78,598)	50,504
Profit for the period/total comprehensive profit for the period	-	(11)	(11)
Total comprehensive income	-	(11)	(11)
Exercise of warrants	112	-	112
As at 31-Mar-2014	129,214	(78,609)	50,605
As at 1-Jan-2013	110,770	(83,785)	26,985
Profit for the period/total comprehensive profit for the period	-	902	902
Total comprehensive income	-	902	902
As at 31-Mar-2013	110,770	(82,883)	27,887

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 2014, the Company has issued 5,601,400 new shares from warrants exercised.

As at 31 March 2014, the Company has 460,805,834 outstanding warrants.

During the financial period ended 31 March 2013, the Company has no increase in the issued and paid up share capital of the company.

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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-2014	700,768,226
Issue of shares from warrants exercised	5,601,400
As at 31-Mar-2014	706,369,626

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 2013.

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 2014. 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 708,487,241 ordinary shares
(2013: 233,435,120 ordinary shares)

On a fully diluted basis

Group	
3 Months Period Ended 31-Mar-14	3 Months Period Ended 31-Mar-13
(0.11) cent	0.21 cent
(0.08) cent	0.21 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 706,369,626 ordinary shares (2013: 700,768,226 ordinary shares) as at 31 March 2014

Group		Company	
31-Mar-14	31-Dec-13	31-Mar-14	31-Dec-13
9.09 cent	9.26 cent	7.16 cent	7.21 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 2% from S\$8.4 million for the First Quarter ended 31 March 2013 ("1Q 2013") to S\$8.6 million for the First Quarter ended 31 March 2014 ("1Q 2014"). This was mainly due to higher sales from Singapore due to more ongoing projects. Revenue from projects increased by S\$0.3 million from S\$4.4 million in 1Q2013 to S\$4.7 million in 1Q2014. This increased was partially offset by \$0.1million decreased in revenue from aluminum related products from S\$4.0 million in 1Q2013 to S\$3.9 million in 1Q2013.

Other income comprises mainly of rental income, deferred income and exchange differences. Other income decreased from S\$1.0 million 1Q2013 to S\$0.6 million in 1Q2014 mainly due to net exchange loss of S\$0.1 million compared to an net exchange gain of S\$0.2 million in 1Q2013.

Changes in inventories of work-in-progress, finished goods, raw materials and consumables used increased mainly due to lower margins for projects commenced during the period and aluminium related products

Depreciation increased by \$0.1million from \$0.1million in 1Q2013 to \$0.2million in 1Q2014 mainly due to addition of plant and machinery in the last financial year.

Other operating expenses decreased by S\$0.2 million from S\$2.6 million in 1Q2013 to S\$2.4 million in 1Q2014. This was mainly due to higher expenses incurred in 1Q2013 relating to the closing of the plant in Indonesia of S\$0.2 million and defective works expenses of S\$0.1 million carried out by a subsidiary.

As a result, the Group has a loss before income tax S\$0.8 million in 1Q2014 compared to a profit of S\$0.4 million in 1Q2013.

Property, plant and equipment increased by \$0.8million from \$13.3million in FY2013 to \$14.1million in 1Q2014 mainly due to construction in progress on acquired land at Tuas Bay Drive amounting to \$0.8million

Inventories decreased by S\$0.8 million from S\$12.8 million in FY2013 to S\$12.0 million in 1Q2014 mainly due to decrease in raw materials purchased.

Trade and other receivables decreased by S\$1.3 million from S\$7.7 million in FY2013 to S\$6.4 million in 1Q2014 mainly due to faster collections from customers.

Amounts owing to financial institutions decreased by S\$1.1 million from S\$1.5 million in FY2013 to S\$0.4 million in 1Q2014 mainly due to decrease in purchases of raw material and repayments made

The Group's cash and cash equivalents as at 31 March 2014 was S\$33.4 million (31 December 2013: S\$33.6 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 2014 financial results are in line with the comments made under paragraph 10 at 4Q2013.

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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 2014 including variation orders was about S\$40.9 million (31 December 2013 : S\$44.6 million). The performance of the Group is expected to be slower as compared to FY 2013 as the market remains competitive.

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 period ended 31 March 2014

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 period ended 31 March 2014 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Chng Beng Hua
Chief Executive Officer
12-May-2014