

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-15	31-Mar-14	Increase/ (Decrease)
	S\$' 000	S\$' 000	%
Revenue	7,967	8,596	(7)
Other income	2,712	598	NM
Changes in inventories of work-in-progress and finished goods	(865)	(219)	NM
Raw materials and consumables used	(4,336)	(3,916)	11
Staff and related costs	(2,425)	(3,307)	(27)
Depreciation of property, plant and equipment	(316)	(209)	51
Other operating expenses	(2,252)	(2,380)	(5)
Results from operating activities	485	(837)	NM
Finance income	32	35	(9)
Finance costs	(31)	(9)	NM
Net finance income/(cost)	1	26	NM
Profit /(Loss) before income tax	486	(811)	NM
Income tax credit /(expenses)	86	(1)	NM
Profit /(Loss) for the period	572	(812)	NM
Other comprehensive income :			
Items that are or may be reclassified subsequently to profit or loss			
Exchange differences on monetary items forming part of net investment in foreign operations	(22)	(78)	(72)
Realisation of foreign currency translation differences arising from liquidation of a subsidiary	(2,668)	-	NM
Translation differences relating to financial statements of foreign subsidiaries	(119)	106	NM
Other comprehensive income for the period	(2,809)	28	NM
Total comprehensive income for the period	(2,237)	(784)	NM
Profit /(Loss) for the period attributable to:			
- Owners of the parent	639	(745)	NM
- Non-controlling interests	(67)	(67)	NM
Profit /(Loss) for the period	572	(812)	NM
Total comprehensive income for the period attributable to:			
- Owners of the parent	(2,149)	(717)	NM
- Non-controlling interests	(88)	(67)	33
Total comprehensive income for the period	(2,237)	(784)	NM
Loss per share			
- Basic	0.079 cent	(0.11) cent	
- Diluted	0.063 cent	(0.11) cent	

NM : not meaningful

COMPACT METAL INDUSTRIES LTD

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Unaudited Financial Statement And Dividend Announcement For The First Quarter Ended 31 March 2015

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-15	31-Mar-14
	S\$' 000	S\$' 000
Reversal of doubtful receivables	(2)	-
Depreciation of property, plant and equipment	316	209
Exchange (gain) /loss	(6)	99
Gain on disposal of property, plant and equipment	(110)	(3)
Interest income from financial institution	(32)	(35)
Amortisation of deferred revenue	-	(268)
Amortisation of prepaid lease	-	32
Interest on borrowings	31	9
Gain on liquidation of a subsidiary	(2,668)	-

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Unaudited Financial Statement And Dividend Announcement For The First Quarter Ended 31 March 2015**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-15	31-Dec-14	31-Mar-15	31-Dec-14
	S\$' 000	S\$' 000	S\$' 000	S\$' 000
Non-current assets				
Property, plant and equipment	10,047	9,661	445	232
Investment properties	94	94	-	-
Subsidiaries	-	-	2,720	2,720
Long term receivables	3,737	3,961	3,471	3,660
Prepaid lease	-	-	-	-
	13,878	13,716	6,636	6,612
Current assets				
Inventories	10,531	12,123	1,730	1,177
Trade and other receivables	7,521	8,402	12,037	27,645
Other investments	2	2	1	1
Cash and cash equivalents	34,162	33,480	28,146	29,244
Asset classified as held for sale	543	1,746	-	-
	52,759	55,753	41,914	58,067
Total assets	66,637	69,469	48,550	64,679
Equity attributable to equity holders of the company				
Share capital	131,383	131,094	131,383	131,094
Capital reserve	404	404	-	-
Revaluation reserve	2,408	2,779	-	-
Currency translation reserve	(6,927)	(4,139)	-	-
Accumulated losses	(69,810)	(70,820)	(109,608)	(108,578)
	57,458	59,318	21,775	22,516
Non-controlling interests	(3,180)	(3,092)	-	-
Total equity	54,278	56,226	21,775	22,516
Non-current liabilities				
Obligations under finance lease	24	30	24	30
Long-term payables	730	674	674	618
Deferred tax liabilities	199	297	-	-
	953	1,001	698	648
Current liabilities				
Trade and other payables	6,515	7,219	21,462	36,771
Provision for warranties	992	992	721	721
Current portion of amounts owing to financial institutions	3,541	3,668	3,541	3,668
Current portion of obligations under finance lease	27	32	27	29
Current tax payable	331	331	326	326
	11,406	12,242	26,077	41,515
Total liabilities	12,359	13,243	26,775	42,163
Total equity and liabilities	66,637	69,469	48,550	64,679

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Unaudited Financial Statement And Dividend Announcement For The First Quarter Ended 31 March 2015**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-2015		31-Dec-14	
S\$' 000	S\$' 000	S\$' 000	S\$' 000
Secured	Unsecured	Secured	Unsecured
27	3,541	32	3,668

(b) Amount repayable after one year

31-Mar-2015		31-Dec-14	
S\$' 000	S\$' 000	S\$' 000	S\$' 000
Secured	Unsecured	Secured	Unsecured
24	-	30	-

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Unaudited Financial Statement And Dividend Announcement For The First Quarter Ended 31 March 2015**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-15	31-Mar-14
	S\$' 000	S\$' 000
Operating Activities		
Profit /(Loss) for the period	572	(812)
Adjustments for:		
Depreciation of property, plant and equipment	316	209
Interest on borrowings	31	9
Interest income from financial institutions	(32)	(35)
Amortisation of deferred revenue	-	(268)
Amortisation of prepaid lease	-	32
Gain on disposal of property, plant and equipment	(110)	(3)
Reversal of doubtful receivables	(2)	-
Gain on liquidation of a subsidiary	(2,668)	-
Income tax (credit) /expense	(86)	1
	(1,979)	(867)
Changes in working capital:		
Inventories	1,575	842
Trade and other receivables	1,077	1,159
Trade and other payables	565	710
Cash generated from operations	1,238	1,844
Income tax paid	(2)	(12)
Cash generated from operating activities	1,236	1,832
Investing Activities		
Proceeds from sale of property, plant and equipment	1	-
Interest received	32	35
Purchase of property, plant and equipment	(752)	(1,042)
Cash used in investing activities	(719)	(1,007)
Financing Activities		
Payment of finance lease liabilities	(11)	(13)
Advances from bank term loans and trust receipts	1,926	-
Repayment of bank term loans and trust receipts	(2,054)	(1,114)
Proceeds from allotment of shares	289	112
Interest paid	(31)	(9)
Cash from /(used in) financing activities	119	(1,024)
Net increase /(decrease) in cash and cash equivalents	636	(199)
Effect of exchange rate fluctuations on cash held	46	10
Cash and cash equivalents as at 1 January (excluding pledged deposits)	33,446	29,088
Cash and cash equivalents as at 31 March (excluding pledged deposits)	34,128	28,899
Represented by :		
Cash at banks and in hands	8,365	8,562
Fixed deposits	25,797	24,870
Less : Fixed deposits pledged	(34)	(4,533)
Cash and cash equivalents as at 31 March (excluding pledge deposits)	34,128	28,899

Note: The proposed placement was completed on 9 April 2015, increasing the cash and cash equivalents by \$8 million after 31 March 2015.

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Unaudited Financial Statement And Dividend Announcement For The First Quarter Ended 31 March 2015

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	S\$'000
Group								
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 /(loss) 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)
Transactions with owners, recognised directly in equity								
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)	(69,811)	57,458	(3,180)	54,278
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 :								
Profit 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)
Transactions with owners, recognised directly in equity								
Issue of shares from warrants exercised	112	-	-	-	-	112	-	112
Total contributions by and distribution to owners	112	-	-	-	-	112	-	112
Total transaction with owners	112	-	-	-	-	112	-	112
As at 31-Mar-2014	129,214	404	2,682	(3,751)	(63,884)	64,665	(439)	64,226

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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-2015	131,094	(108,578)	22,516
Total comprehensive income for the period			
Loss for the period	-	(1,030)	(1,030)
Transactions with owners, recognised directly in equity			
Issue of shares from warrants exercised	289	-	289
As at 31-Mar-2015	131,383	(109,608)	21,775
As at 1-Jan-2014	129,102	(78,598)	50,504
Total comprehensive income for the period			
Loss for the period	-	(11)	(11)
Transactions with owners, recognised directly in equity			
Issue of shares from warrants exercised	112	-	112
As at 31-Mar-2014	129,214	(78,609)	50,605

- 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 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.

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.

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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-2015	800,347,759
Issue of shares from warrants exercised	14,476,000
As at 31-Mar-2015	814,823,759

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 2014.

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 2015. 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 810,202,910 ordinary shares
(2014: 708,487,241 ordinary shares)

On a fully diluted basis

Group	
3 Months Period Ended 31-Mar-15	3 Months Period Ended 31-Mar-14
0.079 cent	(0.11) cent
0.063 cent	(0.11) 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 814,823,759 ordinary shares (2014: 800,347,759 ordinary shares) as at 31 March 2015

Group		Company	
31-Mar-15	31-Dec-14	31-Mar-15	31-Dec-14
7.05 cent	7.41 cent	2.67 cent	2.81 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 7% or \$0.6 million from \$8.6 million for first quarter ending 31 March 2014 (1Q2014) to \$8.0 million for the first quarter ending 31 March 2015 (1Q2015). The decrease was mainly due to lesser ongoing projects in 1Q2015 compared to 1Q2014.

Other income mainly comprises of rental income, deferred revenue and exchange differences. Other income increased by \$2.1 million from \$0.6 million in 1Q2014 to \$2.7 million in 1Q2015 mainly due to realisation of currency translation reserve of \$2.6 million due to liquidation of a subsidiary, and gain on disposal of assets of \$0.1 million, however, the increased was partly offset by absence of deferred income in 1Q2015 (1Q2014: \$0.3 million) as it was fully amortised in 2014, and net exchange loss of \$0.4 million (1Q2014: \$0.1 million).

Changes in inventories of work-in-progress, finished goods, raw materials and consumables used increased mainly due to lower margins projects which commenced during the year.

Staff and related costs decreased by \$0.9 million from \$3.3 million in 1Q2014 to \$2.4 million in 1Q2015 mainly due to higher labour costs required for ongoing projects in 1Q2014 compared to 1Q2015.

Depreciation increased by \$0.1 million from \$0.2 million in 1Q2014 to \$0.3 million in 1Q2015 mainly due to additions in property plant and equipment which resulted in higher depreciation charges.

As a result, the Group has a profit before income tax of \$0.5 million in 1Q2015 compared to a loss of \$0.8 million in 1Q2014.

Property, plant and equipment increased by \$0.3 million from \$9.7 million in FY2014 to \$10.0 million in 1Q2015 mainly due to additions during the period.

Long term retention sum decreased by \$0.2 million from \$3.9 million in FY2014 to \$3.7 million in 1Q2015 mainly due to completion of projects in which the retention sum was refunded by the main contractor to the Group and lesser ongoing projects.

Inventories decreased by \$1.6 million from \$12.1 million in FY2014 to \$10.5 million in 1Q2015 mainly due to decrease in raw materials of \$2 million as these were used in projects. The decreased in raw materials were partly offset by the increased in work in progress of \$0.6 million.

Trade and other receivables decreased by \$0.9 million from \$8.4 million in FY2014 to \$7.5 million in 1Q2015 mainly due to improve collections.

Asset classified as held for sale decreased by \$1.2 million from \$1.7 million in FY2014 to \$0.5 million in 1Q2015 due to the completion of sale of certain property and plant held by a subsidiary in Malaysia.

Trade and other payables decreased by \$0.7 million from \$7.2 million in FY2014 to \$6.5 million in 1Q2015 mainly due to reversal of \$1.2 million on completion of sale of certain assets held for sale by a subsidiary in Malaysia. The payment received for the assets was previously deferred to other payables as the sale was not completed then. The decreased was partly offset by an advanced deposit of \$0.3 million received from a supplier.

The Group's cash and cash equivalents as at 31 March 2015 was \$34.2 million (include proceeds raised from rights issue of \$18.3 million in FY2013) (31 December 2014: S\$33.5 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 2015 financial results are in line with the comments made under paragraph 10 at 4Q2014.

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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 2015 including variation orders was about S\$32.0 million (31 December 2014 : S\$36.6 million). The performance of the Group is expected to be slower as compared to FY 2014 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/recommended, a statement to that effect.**

No dividend has been recommended for the financial period ended 31 March 2015

- 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 2015 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Chng Beng Hua
Chief Executive Officer
15-May-2015