

Unaudited Financial Statements And Dividend Announcement For The Half Year Ended 30 June 2020

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.

	Group		
	Half Year Ended		
	30-Jun-20	30-Jun-19	Increase/ (Decrease)
	S\$'000	S\$'000	%
Revenue	63,092	58,004	9
Other income	3,039	156	1,848
Changes in inventories of work-in-progress and finished goods	(11)	(1,207)	(99)
Raw materials and consumables used	(14,277)	(16,363)	(13)
Staff and related costs	(4,263)	(4,508)	(5)
Depreciation of property, plant and equipment	(2,747)	(2,674)	3
Impairment loss on property, plant and equipment	-	(1,507)	(100)
Amortisation of intangible assets	(1,465)	(1,479)	(1)
Reversal of loss allowance on trade and other receivables and contract assets	93	812	(89)
Other expenses	(27,588)	(18,403)	50
	15,873	12,831	24
Finance income	3	4	(25)
Finance costs	(2,280)	(21)	10,757
Net finance costs	(2,277)	(17)	13,294
Profit before tax	13,596	12,814	6
Tax expense	(2,400)	(2,244)	7
Profit for the period	11,196	10,570	6
Other comprehensive income			
<i>Items that are or may not be reclassified subsequently to profit or loss:</i>			
Foreign currency exchange differences on monetary items forming part of net investment in foreign operations	(246)	(161)	53
Foreign currency translation differences - foreign operations	(5,789)	(1,859)	211
	(6,035)	(2,020)	199
Other comprehensive income for the period, net of tax	(6,035)	(2,020)	199
Total comprehensive income for the period	5,161	8,550	(40)
Profit attributable to:			
- Owners of the Company	6,001	4,887	23
- Non-controlling interests	5,195	5,683	(9)
Profit for the period	11,196	10,570	6
Total comprehensive income attributable to:			
- Owners of the parent	1,127	3,632	(69)
- Non-controlling interests	4,034	4,918	(18)
Total comprehensive income for the period	5,161	8,550	(40)
Earnings per share			
- Basic	0.10 cents	0.09 cents	
- Diluted	0.10 cents	0.09 cents	

NM : not meaningful
: Less than \$1,000

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

	Group	
	Half Year Ended	
	30-Jun-20	30-Jun-19
	S\$'000	S\$'000
Bad debts recovered	(1)	(7)
Exchange loss	4,475	302
Interest income from financial institutions	(3)	(4)
Interest on loans and borrowings	2,125	21
Gain on disposal of property, plant and equipment	(79)	(11)
Provision for inventories obsolescence	-	229
Write down of inventories to net realisable value	22	-
Write off of property, plant and equipment	209	-

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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	
	30-Jun-20	31-Dec-19	30-Jun-20	31-Dec-19
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	262,947	262,488	505	396
Intangible assets and goodwill	46,123	48,849	-	-
Investment properties	142	145	-	-
Subsidiaries	-	-	185,453	185,453
Trade and other receivables	1,492	1,564	38,124	34,873
Contract assets	893	1,296	-	-
	<u>311,597</u>	<u>314,342</u>	<u>224,082</u>	<u>220,722</u>
Current assets				
Inventories	18,286	19,853	-	-
Trade and other receivables	15,917	19,474	51	37
Contract assets	1,576	1,978	-	-
Other investments	1	1	-	-
Cash and cash equivalents	19,995	12,402	473	23
	<u>55,775</u>	<u>53,708</u>	<u>524</u>	<u>60</u>
Assets held for sale	420	425	-	-
	<u>56,195</u>	<u>54,133</u>	<u>524</u>	<u>60</u>
Total assets	367,792	368,475	224,606	220,782
Equity attributable to owners of the Company				
Share capital	276,824	276,824	198,647	198,647
Capital reserve	1,437	1,437	1,033	1,033
Revaluation reserve	357	357	-	-
Currency translation reserve	(19,729)	(14,855)	-	-
Accumulated losses	(52,685)	(58,686)	(17,041)	(16,171)
	<u>206,204</u>	<u>205,077</u>	<u>182,639</u>	<u>183,509</u>
Non-controlling interests	51,343	58,855	-	-
Total equity	257,547	263,932	182,639	183,509
Non-current liabilities				
Loans and borrowings	15,760	15,357	36,169	33,186
Trade and other payables	33,636	21,763	189	252
Provisions	73	106	5	5
Deferred tax liabilities	6,735	8,887	-	-
	<u>56,204</u>	<u>46,113</u>	<u>36,363</u>	<u>33,443</u>
Current liabilities				
Trade and other payables	53,954	58,239	5,580	3,830
Contract liabilities	20	152	-	-
Provisions	43	34	-	-
Loans and borrowings	24	-	24	-
Current tax payable	-	5	-	-
	<u>54,041</u>	<u>58,430</u>	<u>5,604</u>	<u>3,830</u>
Total liabilities	110,245	104,543	41,967	37,273
Total equity and liabilities	367,792	368,475	224,606	220,782

: Less than \$1,000

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

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

30-Jun-20		31-Dec-19	
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
-	24	-	-

(b) Amount repayable after one year

30-Jun-20		31-Dec-19	
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
-	15,760	-	15,357

Unaudited Financial Statements And Dividend Announcement For The Half Year Ended 30 June 2020

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	
	Half Year Ended	
	30-Jun-20	30-Jun-19
	S\$'000	S\$'000
Cash flows from operating activities		
Profit for the period	11,196	10,570
Adjustments for:		
Amortisation of intangible assets	1,465	1,479
Bad debts recovered	(1)	(7)
Depreciation of property, plant and equipment	2,747	2,674
Finance costs	2,280	21
Finance income	(3)	(4)
Loss on disposal of property, plant and equipment	(79)	(11)
Impairment loss on property, plant and equipment	-	1,507
Reversal of loss allowance on trade and other receivables and contract assets	(93)	(812)
Provision for inventories obsolescence	-	229
Unrealised exchange loss	3,902	-
Write down of inventories to net realisable value	22	-
Write off of property, plant and equipment	209	-
Tax expense	2,400	2,244
	24,045	17,890
Changes in:		
- inventories	1,451	(2,156)
- contract assets	806	(187)
- trade and other receivables	3,637	(9,147)
- contract liabilities	(132)	(39)
- trade and other payables	(5,236)	(3,112)
Cash generated from operations	24,571	3,249
Tax paid	(26)	(38)
Net cash from operating activities	24,545	3,211
Cash flows from investing activities		
Acquisition of non-controlling interests	-	#
Acquisition of property, plant and equipment	(8,507)	(17,030)
Interest received	3	4
Proceeds from disposal of property, plant and equipment	79	11
Net cash used in investing activities	(8,425)	(17,015)
Cash flows from financing activities		
Dividends paid	(6,463)	(1,164)
Interest paid	(3)	(21)
Payment of lease liabilities	(203)	(12)
Proceeds from issuance of ordinary shares	-	3,191
Proceeds from shareholders' loan	-	10,080
Proceeds from trust receipts	-	287
Repayment of trust receipts	-	(2,010)
Withholding tax paid on dividends declared by a subsidiary	(2,054)	-
Net cash (used in)/generated from financing activities	(8,723)	10,351
Net increase/(decrease) in cash and cash equivalents	7,397	(3,453)
Cash and cash equivalents as at beginning of period/year (excluding pledged deposits)	12,345	13,084
Effect of exchange rate fluctuations on cash held	196	61
Cash and cash equivalents as at end of period (excluding pledged deposits)	19,938	9,692
Represented by :		
Cash at bank and on hand	19,938	9,692
Fixed deposits	57	57
Less : Fixed deposits pledged	(57)	(57)
Cash and cash equivalents as at end of period (excluding pledged deposits)	19,938	9,692

: Less than \$1,000

Unaudited Financial Statements And Dividend Announcement For The Half Year Ended 30 June 2020

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 January 2020	276,824	1,437	357	(14,855)	(58,686)	205,077	58,855	263,932
Total comprehensive income for the period								
Profit for the period	-	-	-	-	6,001	6,001	5,195	11,196
Other comprehensive income								
Foreign currency exchange differences on monetary items forming part of net investment in foreign operations	-	-	-	(215)	-	(215)	(31)	(246)
Foreign currency translation differences - foreign operations	-	-	-	(4,659)	-	(4,659)	(1,130)	(5,789)
Total other comprehensive income	-	-	-	(4,874)	-	(4,874)	(1,161)	(6,035)
Total comprehensive income for the period	-	-	-	(4,874)	6,001	1,127	4,034	5,161
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners								
Dividends declared	-	-	-	-	-	-	(11,546)	(11,546)
Total contributions by and distributions to owners	-	-	-	-	-	-	(11,546)	(11,546)
Total transactions with owners	-	-	-	-	-	-	(11,546)	(11,546)
As at 30 June 2020	276,824	1,437	357	(19,729)	(52,685)	206,204	51,343	257,547
As at 1 January 2019	273,633	404	2,668	(10,438)	(71,407)	194,860	56,036	250,896
Total comprehensive income for the period								
Profit for the period	-	-	-	-	4,887	4,887	5,683	10,570
Other comprehensive income								
Foreign currency exchange differences on monetary items forming part of net investment in foreign operations	-	-	-	(141)	-	(141)	(20)	(161)
Foreign currency translation differences - foreign operations	-	-	-	(1,114)	-	(1,114)	(745)	(1,859)
Total other comprehensive income	-	-	-	(1,255)	-	(1,255)	(765)	(2,020)
Total comprehensive income for the period	-	-	-	(1,255)	4,887	3,632	4,918	8,550
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners								
Issue of ordinary shares	3,191	-	-	-	-	3,191	-	3,191
Dividends declared	-	-	-	-	-	-	(10,849)	(10,849)
Fair value adjustments on loans from major shareholders	-	1,033	-	-	-	1,033	-	1,033
Total contributions by and distributions to owners	3,191	1,033	-	-	-	4,224	(10,849)	(6,625)
Changes in ownership interests in subsidiaries								
Acquisition of non-controlling interests without a change in control	-	-	-	-	(172)	(172)	172	#
Total changes in ownership interests in subsidiaries	-	-	-	-	(172)	(172)	172	#
Total transactions with owners	3,191	1,033	-	-	(172)	4,052	(10,677)	(6,625)
As at 30 June 2019	276,824	1,437	2,668	(11,693)	(66,692)	202,544	50,277	252,821

#: Less than \$1,000

Unaudited Financial Statements And Dividend Announcement For The Half Year Ended 30 June 2020

- 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	Capital reserve	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Company				
As at 1 January 2020	198,647	1,033	(16,171)	183,509
Total comprehensive income for the period				
Loss for the period	-	-	(870)	(870)
As at 30 June 2020	198,647	1,033	(17,041)	182,639
As at 1 January 2019	#	-	-	-
Total comprehensive income for the period				
Loss for the period	-	-	(1,567)	(1,567)
Transactions with owners, recognised directly in equity				
Contributions by and distributions to owners				
Issue of ordinary shares	3,191	-	-	3,191
Issued in restructuring [^]	195,456	-	-	195,456
Total contributions by and distributions to owners	198,647	-	-	198,647
Total transactions with owners	198,647	-	-	198,647
As at 30 June 2019	198,647	-	(1,567)	197,080

#: Less than \$1,000

[^] On 7 March 2019, following the delisting of CML, 5,663,816,417 shares were allotted and issued by the Company on the basis of one share in the Company for every one share in CML held by each entitled shareholder. The enlarged issued share capital of the Company following the allotment comprised 5,663,816,419 shares which was listed and quoted on the Mainboard of the SGX-ST on 8 March 2019.

The above issuance was part of the Group's internal restructuring plan as described in a circular to shareholders dated 6 July 2018. This restructuring exercise, which effected a change of the listed entity with the same shareholders, does not meet the definition of a business under SFRS(I) 3 Business Combinations. The Company has elected to account for the issued shares at cost, which is determined to be the Group's share of total equity of CML at the date of allotment and issuance of shares in the capital of the Company.

As there is no change in the Group's assets or liabilities as a result of the restructuring and there is no change in the interest of the shareholders of the Company, either absolute or relative, as a result of the restructuring, the share capital recorded at the Group level did not change as a result of the restructuring.

- 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 3 June 2019, the Company issued and allotted 70,916,430 new ordinary shares in the capital of the Company under the confirmed tranche pursuant to a conditional placement agreement dated 9 May 2019 for an issue price for each Placement Share of S\$0.045. Accordingly, the Company's issued share capital increased from 5,663,816,419 to 5,734,732,849 shares.

On 24 June 2019, the Company announced that it was informed by SGX-ST that SGX-ST was not satisfied that the source of funds for the Placement originating from the Placee and that the placement was funded by undisclosed sources, the approval in-principle granted on 21 May 2019 for the listing and quotation of Placement Shares had lapsed and that SGX-ST would not allow the listing of the 70,916,430 Placement Shares to proceed. Accordingly, the 70,916,430 Placement Shares would not be listed. The Company is still in discussions with the Placee the above development concerning the 70,916,430 Placement Shares and will provide shareholders with an update if there are any material developments in connection with the Placement.

During the half year ended 30 June 2020, there was no change in the issued and paid up share capital of the Company.

The Company had no outstanding warrants as at 30 June 2019 and 30 June 2020.

- 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.

The total number of issued shares excluding treasury shares as at 31 December 2019 and 30 June 2020 was 5,734,732,849.

- 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.

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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.

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements for the financial year ended 31 December 2019.

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 applied the following SFRS(I)s, interpretation of SFRS(I) and requirements of SFRS(I) which are mandatorily effective from 1 January 2020:

- Amendments to References to Conceptual Framework in SFRS(I) Standards
- Definition of a Business (Amendments to SFRS(I) 3)
- Definition of Material (Amendments to SFRS(I) 1-1 and SFRS(I) 1-8)
- Interest Rate Benchmark Reform (Amendments to SFRS(I) 9 and SFRS(I) 7)

The adoption of the above standards do not have any significant impact on the Group's financial statements.

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.

Net profit attributable to ordinary shareholders based on weighted average of 5,734,732,849 ordinary shares (2019: 5,674,395,113 ordinary shares):-
- Basic earnings per share
- Diluted earnings per share

Group	
Half year ended 30 June 2020	Half year ended 30 June 2019
0.10 cents	0.09 cents
0.10 cents	0.09 cents

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 5,734,732,849 ordinary shares as at 30 June 2020 (2019: 5,734,732,849 ordinary shares)

Group		Company	
30-Jun-20	31-Dec-19	30-Jun-20	31-Dec-19
3.60 cents	3.58 cents	3.18 cents	3.20 cents

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.

Consolidated Income Statement

The Group's revenue increased by S\$5.1 million from S\$58.0 million for the half year ended 30 June 2019 ("1H2019") to S\$63.1 million for the half year ended 30 June 2020 ("1H2020"). This was due to higher contribution of S\$8.7 million from the cement segment, mainly arising from the higher demand in cement in Tajikistan. This was offset by a decrease in revenue from the aluminium segment of S\$3.6 million, mainly due to: (i) suspension of construction activities since the start of the circuit breaker period in Singapore on 7 April 2020; and (ii) the cessation of the extrusion business in Malaysia since end of 2019.

	1H2020	1H2019
Revenue	S\$'000	S\$'000
Aluminium	3,933	7,575
Cement	59,159	50,429
	<u>63,092</u>	<u>58,004</u>

Other income in 1H2020 mainly comprised: (i) government grants (Jobs Support Scheme and property tax rebate) of S\$0.3 million; and (ii) refund of land premium from JTC in March 2020 for the return of land in end 2019, amounting to S\$2.6 million.

Decrease in changes in inventories of work-in-progress and finished goods, and raw materials and consumables used for 1H2020 of S\$14.3 million as compared to 1H2019 of S\$17.6 million, was mainly arising from the aluminium segment where construction activities have been suspended since the circuit breaker period in Singapore on 7 April 2020.

Staff and related costs in 1H2020 remained consistent in 1H2020 as compared to 1H2019. Staff and related costs incurred by the aluminium segment decreased by S\$0.8 million due to the cessation of construction activities since the start of the circuit breaker period in Singapore, as well as the Movement Control Order ("MCO") in Malaysia. This decline was offset by an increase in staff and related costs for the cement segment of S\$0.6 million which is in line with an increase in revenue for the Tajikistan operations as well as commencement of operations in Kazakhstan during the second quarter of 2020.

Depreciation of property, plant and equipment increased during the current period mainly due to the completion of construction of the grinding station in Tajikistan and cement plant in Kazakhstan in May 2019 and December 2019 respectively.

During 1H2019, the Group signed a sale and purchase agreement to dispose certain property, plant and equipment in the aluminium segment. This sale was subject to regulatory approval. As the sale was expected to be completed within the next 12 months, these property, plant and equipment with net book value of S\$3.5 million was reclassified to 'non-current assets held for sale' under current assets. In accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 5 *Non-current Assets Held for Sale and Discontinued Operations*, these assets were written down to fair value less costs to sell and an impairment loss of S\$1.5 million was recognised during 1H2019. The sale was completed in December 2019.

Amortisation of intangible assets arose from amortisation of subsoil rights relating to licenses for the extraction of limestone, clay, siltstone and subsoil use contracts for the cement plant in Tajikistan and this remained relatively consistent period-on-period.

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As the collection and aging of trade and other receivables improved during 1H2020 as compared to prior year, this resulted in an overall reversal of impairment losses of S\$0.1 million. In accordance with SFRS(I) 9 *Financial Instruments*, the loss allowance was made in prior years based on the 'expected loss' model, computed based on the Group's assessment on the probability-weighted estimates of credit losses based on historical information for the past 3 years on bad debt write offs and adjustments for forward looking indicators. 'Expected credit losses' were computed based on percentages of each aging bracket and do not relate to any specific counterparty.

Other expenses for 1H2020 mainly comprised:

	1H2020 S\$'000	1H2019 S\$'000	Remarks	
Utilities	3,674	3,341	(a)	(a) This is in line with the increase in revenue/activities for the cement segment.
Transportation costs	7,328	6,013	(a)	(b) The higher professional and audit fees incurred in prior year was due to the proposed acquisition of a cement plant in Namibia resulting in one-off professional fees incurred.
Packaging costs	3,557	2,920	(a)	
Spare parts and maintenance cost:	2,471	1,132	(a)	(c) Exchange loss was incurred mainly on the revaluation of amounts owing to the Engineering, Procurement and Construction ("EPC") Contractor and intercompany loans denominated in foreign currencies (US Dollar ("USD") and Chinese Yuan ("CNY")) where the Kazakhstani Tenge ("KZT") depreciated by 7% against the USD and CNY during the current period.
Professional and audit fees	381	1,015	(b)	
Tax-related expenses	1,452	1,185	(a)	
Exchange loss	4,475	302	(c)	
Others (individually not material)	4,250	2,495		
	<u>27,588</u>	<u>18,403</u>		

Current period's finance costs mainly pertained to S\$2.1 million interest expense on the outstanding payables to the EPC Contractor for the construction of the cement plant in Kazakhstan which are interest-bearing at 8.4% per annum. The interest expense was capitalised under 'construction costs' in 'property, plant and equipment' as the plant was previously under construction in 2019.

Tax expense mainly pertained to provision for withholding tax on unremitted profits from overseas subsidiaries.

Consolidated Statement of Financial Position

The Group's property, plant and equipment remained relatively consistent as at 30 June 2020 as compared to 31 December 2019. Additions amounted to S\$10.0 million while depreciation and translation loss amounted to S\$2.9 million and S\$6.6 million respectively. Translation loss arose from the devaluation in Tajikistani Somoni ("TJS") and KZT against the Singapore Dollar ("SGD").

Intangible assets and goodwill mainly comprised subsoil rights and goodwill arising on acquisition of a cement plant in Tajikistan in 2017. Decrease of S\$2.7 million during the current period was mainly due to amortisation and translation loss of S\$1.5 million and S\$1.2 million respectively. Translation loss arose from the devaluation of TJS against SGD.

At the Group level, long-term and short-term trade and other receivables as at 30 June 2020 comprised: (i) trade receivables of S\$4.1 million; (ii) tax-related receivables of S\$10.3 million; and (iii) deposits and repayment of S\$2.2 million. The decrease in trade and other receivables is due to significant reduction in billings for the aluminium segment as a result of suspension of construction activities in Singapore since the start of the circuit breaker period. At the Company level, long-term trade and other receivables relate to amounts owing from a subsidiary for the construction of the cement plant in Kazakhstan.

The Group's inventory balance decreased by S\$1.6 million due to significantly higher sales by the cement segment in June 2020.

Assets held for sale at the Group level related to certain property, plant and equipment in the aluminium segment where the Group is currently in negotiations with buyers to dispose of these assets and the Group believes that it is highly probable that the sale will be completed within the next 12 months. These assets mainly pertain to hostels and investment properties in Malaysia.

Increase in currency translation reserve (losses) of S\$4.9 million mainly arose from the depreciation of TJS and KZT against SGD.

At the Group level, long-term loans and borrowings comprised: (i) S\$12.9 million interest-free loans from the major shareholder, Victory Gate Ventures Limited, for the construction of the cement plant in Kazakhstan; and (ii) S\$2.8 million interest-free loan from a non-controlling interest for the construction of the grinding station in Tajikistan. The loans from the major shareholder and non-controlling interest are due in 2021 and 2023 respectively. At the Company level, long-term loans and borrowings relate to interest-free loans from a subsidiary which was in turn lent to another subsidiary for the construction of the cement plant in Kazakhstan.

Decrease in deferred tax liabilities was due to reclassification of S\$4.3 million withholding tax on unremitted dividends from an overseas subsidiary to 'other payables' as dividends were declared by the subsidiary during 1H2020 which will only be paid to the relevant tax authorities during the second half of the current year, offset by withholding tax on 1H2020 profits made by the overseas subsidiary amounting to S\$2.4 million.

The Group's long-term other payables mainly pertained to amounts owing to the EPC contractor for the construction of the cement plant in Kazakhstan under a deferred payment arrangement which are due between 2021 to 2023. Decrease in short-term trade and other payables at the Group level was mainly due to slower procurement of raw materials and spare parts and consumables.

Consolidated Statement of Cash Flows

Cash and cash equivalents of the Group increased from S\$12.4 million as at 31 December 2019 as compared to S\$20.0 million as at 30 June 2020. This was mainly due to operating cash inflows of S\$24.5 million, offset by: (i) acquisition of property, plant and equipment of S\$8.5 million; (ii) dividends paid to non-controlling interests of S\$6.0 million; and (iii) withholding tax paid on dividends declared by a subsidiary of S\$2.1 million.

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

Not applicable.

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 main customers of the Group's aluminium business are property developers in Singapore - specifically, private developers and the Housing Development Board. As such, business prospects for the aluminium segment depend heavily on the outlook of the local property development market.

Unaudited Financial Statements And Dividend Announcement For The Half Year Ended 30 June 2020

The Group's revenue for the aluminium business has been negatively impacted during the second quarter of 2020 on account of the circuit breaker measures which led to a stoppage of most construction activities during the period, as well as manpower disruptions arising from additional measures to curb the spread of COVID-19, including movement restrictions at foreign worker dormitories. To date, some of the Group's customers, i.e. main contractors, have obtained approval from the Building and Construction Authority ("BCA") to resume construction while of the Group's foreign workers residing in dormitories have obtained clearance from the Ministry of Manpower ("MOM") to resume work and have started work on these projects.

Revenue for the aluminium business is expected to pick up during the second half of 2020 but is not expected to return to pre-COVID-19 levels within the next few months. The Group has initiated cost containment strategies in its procurement and payment services to conserve cash flows and is tapping on various government budgetary support schemes to alleviate the financial impact on the Group's aluminium business. The Group has also activated its business continuity plan in Singapore, including work from home arrangements and split team arrangements for key functions and telecommuting. Comprehensive health and precautionary measures have been implemented across the Group's aluminium operations in Singapore and Malaysia.

As at 30 June 2020, the Group's order book stood at approximately S\$17.4 million, including variation orders. These projects are expected to be completed progressively over the next 3 years.

Cement

The Group's cement business is primarily dependent on the market conditions of the construction industry in the Central Asia region.

Due to the outbreak of COVID-19 in Tajikistan and the Group's primary export market in Afghanistan, this led to a slowdown in construction activities and tightened border control measures in these countries. As a result, both domestic and export sales by the cement plants in Tajikistan declined from the second half of March to end May 2020. However, sales in these countries have resumed to pre-COVID-19 levels since June 2020. The Government of Tajikistan has indicated its plan to develop the country's infrastructure, which includes the reconstruction of old buildings in the country, and this will likely result in an increase in demand for quality building materials such as cement.

In Kazakhstan, where the Group recently completed the construction of its second cement plant, its 2 main cities of Nur-Sultan and Almaty went into lock down from mid March 2020 to May 2020, and implemented a second lockdown in early July 2020. Even though the cement plant started operations in April 2020 as planned, commencement of sales has been delayed. Sales can only begin when the lockdown measures in Almaty are eased. In addition, oil prices have suffered a steep and sustained decline due to the COVID-19 pandemic and the economy of Kazakhstan is heavily dependent on oil. This has resulted in a significant depreciation of KZT against USD and CNY since March 2020. and the Group's operating subsidiary in Kazakhstan has significant foreign currency exposures arising from payables to intercompanies and the EPC contractor. Significant movements of the KZT against USD and CNY will result in significant fluctuations in the Group's profit or loss.

Comprehensive health and precautionary measures have also been implemented across the Group's operations in Central Asia. These include safe distancing, split team arrangements, and daily provision and mandating the use of face masks in the workplace and during public transit to and from work. All overseas travel have been restricted. The well-being of the Group's stakeholders, including employees, customers, partners and vendors, remain its top priority.

Although there appears to be a strong interest in infrastructure construction and reconstruction within the Central Asia region, the Group will remain cautious in pursuing new opportunities in order to achieve growth which is sustainable.

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 and the reason(s) for the decision.

No dividend has been recommended for the half year ended 30 June 2020 as the Group is reinvesting its earnings for new projects in the cement business.

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 Rule 705(5) 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 half year ended 30 June 2020 to be false or misleading in any material respect.

15 Use of proceeds

The net proceeds arising from the Share Placement in June 2019, amounting to S\$3.2 million, have not been utilised to date. The Board will continue to make periodic announcements on utilisation of the proceeds as and when the proceeds are materially disbursed.

16 Confirmation that the issuer has procured undertakings from all its directors and executive officers

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of Singapore Exchange Securities Trading Limited.

BY ORDER OF THE BOARD

Ma Zhaoyang
Chairman
6 August 2020