INTERNATIONAL CEMENT GROUP LTD.
Company Registration Number 201539771E

Unaudited Financial Statements And Dividend Announcement For The Financial Year Ended 31 December 2019

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 Fourth Quarter Ended			Group Year Ended		
	31-Dec-19	31-Dec-18*	Increase/ (Decrease)	31-Dec-19	31-Dec-18*	Increase/ (Decrease)
	S$'000	S$'000	%	S$'000	S$'000	%
Revenue	37,827	28,782	31	131,229	114,107	15
Other income	879	1,045	(16)	1,177	1,295	(9)
Changes in inventories of work-in-progress and finished goods	(159)	994	(116)	(2,530)	(1,020)	148
Raw materials and consumables used	(16,421)	(10,755)	53	(40,978)	(32,633)	26
Staff and related costs	(3,004)	(1,744)	72	(10,182)	(9,566)	6
Depreciation of property, plant and equipment	(1,818)	(1,270)	43	(6,138)	(5,412)	13
Reversal of/(impairment loss on) property, plant and equipment	289	-	n/m	(1,218)	-	n/m
Amortisation of intangible assets	(758)	(762)	(1)	(2,984)	(3,072)	(3)
(Loss allowance)/reversal of loss allowance on trade and other receivables and contract assets	(490)	1,801	(127)	540	1,502	(64)
Other expenses	(5,523)	(8,366)	(34)	(35,158)	(33,968)	4
	10,822	9,725	11	33,758	31,233	8
Finance income	1,484	211	603	1,488	257	479
Finance costs	(706)	(321)	120	(808)	(407)	99
Net finance income/(costs)	**778**	**(110)**	(807)	**680**	**(150)**	(553)
Profit before tax	**11,600**	**9,615**	21	**34,438**	**31,083**	11
Tax expense	(1,570)	(65)	n/m	(5,024)	(4,425)	14
Profit for the period/year	**10,030**	**9,550**	5	**29,414**	**26,658**	10
Other comprehensive income						
Items that will not be reclassified to profit or loss:						
Net (deficit)/surplus on revaluation of property, plant and equipment	(2,457)	22	n/m	(2,457)	22	n/m
Tax on net deficit/surplus on revaluation of property, plant and equipment	588	(5)	n/m	588	(5)	n/m
	(1,869)	17	n/m	(1,869)	17	n/m
Items that are or may not be reclassified subsequently to profit or loss:						
Foreign currency exchange differences on monetary items forming part of net investment in foreign operations	75	(2,737)	(103)	80	(3,422)	(102)
Foreign currency translation differences - foreign operations	(2,613)	(428)	511	(5,159)	(6,746)	(24)
	(2,538)	(3,165)	(20)	(5,079)	(10,168)	(50)
Other comprehensive income for the period/year, net of tax	**(4,407)**	**(3,148)**	40	**(6,948)**	**(10,151)**	(32)
Total comprehensive income for the period/year	**5,623**	**6,402**	(12)	**22,466**	**16,507**	36
Profit attributable to:						
- Owners of the Company	6,869	6,983	(2)	16,763	16,388	2
- Non-controlling interests	3,161	2,567	23	12,651	10,270	23
Profit for the period/year	**10,030**	**9,550**	5	**29,414**	**26,658**	10
Total comprehensive income attributable to:						
- Owners of the parent	2,533	3,245	(22)	10,517	7,817	35
- Non-controlling interests	3,090	3,157	(2)	11,949	8,690	38
Total comprehensive income for the period/year	**5,623**	**6,402**	(12)	**22,466**	**16,507**	36
Earnings per share						
- Basic	**0.12 cents**	**0.13 cents**		**0.29 cents**	**0.29 cents**	
- Diluted	**0.12 cents**	**0.13 cents**		**0.29 cents**	**0.29 cents**	

NM : not meaningful
 # : Less than $1,000
** The Group initially applied SFRS(I) 16 at 1 January 2019, using modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying SFRS(I) 16 is recognised in 'accumulated losses' at the date of initial application.*

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

	Group Fourth Quarter Ended		Group Year Ended	
	31-Dec-19	31-Dec-18*	31-Dec-19	31-Dec-18*
	S$'000	S$'000	S$'000	S$'000
Adjustment for under provision of tax in respect of prior years	5	916	5	916
Bad debts recovered	11	-	(5)	-
Changes in fair value of investment properties	394	541	394	541
Exchange gain	(541)	(150)	(300)	(488)
Interest income from financial institutions	(24)	(211)	(28)	(257)
Interest on loans and borrowings	19	25	43	111
Loss on disposal of property, plant and equipment	150	132	142	46
Reversal of provision for warranties	(378)	(215)	(378)	(210)
(Reversal of)/provision for inventories obsolescence	(2)	(157)	225	(189)
Write down of inventories to net realisable value	123	466	123	466
Write off of property, plant and equipment	3	12	5	12

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-19	31-Dec-18*	31-Dec-19	31-Dec-18*
	S$'000	S$'000	S$'000	S$'000
Non-current assets				
Property, plant and equipment	259,488	160,765	396	12
Intangible assets and goodwill	48,849	53,697	-	-
Investment properties	145	612	-	-
Subsidiaries	-	-	183,285	#
Trade and other receivables	1,564	23,599	27,124	-
Contract assets	1,296	1,634	-	-
	311,342	240,307	210,805	12
Current assets				
Inventories	19,853	19,439	-	-
Trade and other receivables	20,483	19,234	37	72
Contract assets	969	682	-	-
Other investments	1	1	-	-
Cash and cash equivalents	12,402	13,084	23	-
	53,708	52,440	60	72
Assets held for sale	425	-	-	-
	54,133	52,440	60	72
Total assets	**365,475**	**292,747**	**210,865**	**84**
Equity attributable to owners of the Company				
Share capital	276,824	273,633	198,647	#
Capital reserve	404	404	-	-
Revaluation reserve	357	2,668	-	-
Currency translation reserve	(14,855)	(10,438)	-	-
Accumulated losses	(57,653)	(71,407)	(20,279)	-
	205,077	194,860	178,368	#
Non-controlling interests	58,855	56,036	-	-
Total equity	**263,932**	**250,896**	**178,368**	**#**
Non-current liabilities				
Loans and borrowings	15,357	2,588	28,410	-
Long-term other payables	18,630	615	257	-
Contract liabilities	133	-	-	-
Provisions	106	-	-	-
Deferred tax liabilities	8,887	8,899	-	-
	43,113	12,102	28,667	-
Current liabilities				
Trade and other payables	57,842	27,185	3,825	84
Contract liabilities	476	151	-	-
Provisions	107	615	5	-
Loans and borrowings	-	1,746	-	-
Current tax payable	5	52	-	-
	58,430	29,749	3,830	84
Total liabilities	**101,543**	**41,851**	**32,497**	**84**
Total equity and liabilities	**365,475**	**292,747**	**210,865**	**84**

On 16 March 2018, the Company entered into an Implementation Agreement with a related party, Compact Metal Industries Pte. Ltd. (formerly known as Compact Metal Industries Ltd) ("CMIL"), a company incorporated in Singapore, in relation to a proposed restructuring by way of a scheme of arrangement under Section 210 of the Companies Act (Chapter 50) of Singapore. Pursuant to the terms of the Implementation Agreement, the Company would acquire all the existing issued ordinary shares in the capital of CMIL ("CMIL Share") held by shareholders of CMIL, in consideration for the allotment and issuance of new ordinary shares in the capital of the Company ("ICG Share") on the basis of one new ICG Share for every one CMIL Share.

Upon completion of this restructuring, CMIL was delisted from the Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST") with effect from 8 March 2019 and became a subsidiary of the Company. The Company has been listed on the Mainboard of the SGX-ST since 8 March 2019.

The 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*. Accordingly, the comparative information of the Group's financial statements (i.e. financial position as at 31 December 2018 and financial performance and cash flows for the fourth quarter ended 31 December 2018 and year ended 31 December 2018) are that of CMIL Group.

 # : Less than $1,000

** The Group initially applied SFRS(I) 16 at 1 January 2019, using modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying SFRS(I) 16 is recognised in 'accumulated losses' at the date of initial application.*

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-19		31-Dec-18*	
S$'000	S$'000	S$'000	S$'000
Secured	Unsecured	Secured	Unsecured
-	-	23	1,723

(b) Amount repayable after one year

31-Dec-19		31-Dec-18*	
S$'000	S$'000	S$'000	S$'000
Secured	Unsecured	Secured	Unsecured
-	15,357	107	2,481

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-19	31-Dec-18*	31-Dec-19	31-Dec-18*
	S$'000	S$'000	S$'000	S$'000
Cash flows from operating activities				
Profit for the period/year	10,030	9,550	29,414	26,658
Adjustments for:				
Amortisation of intangible assets	758	762	2,984	3,072
Bad debts recovered	11	-	(5)	-
Change in fair value on investment properties	394	541	394	541
Depreciation of property, plant and equipment	1,818	1,270	6,138	5,412
Finance costs	706	321	808	407
Finance income	(1,484)	(211)	(1,488)	(257)
Loss on disposal of property, plant and equipment	150	132	142	46
(Reversal of)/ impairment loss on property, plant and equipment	(289)	-	1,218	-
Loss allowance/(reversal of loss allowance) on trade and other receivables and contract assets	490	(1,801)	(540)	(1,502)
(Reversal of)/provision for inventories obsolescence	(2)	(157)	225	(189)
Reversal of provision for warranties	(378)	(215)	(378)	(210)
Write down of inventories to net realisable value	123	466	123	466
Write off of property, plant and equipment	3	12	5	12
Tax expense	1,570	65	5,024	4,425
	13,900	10,735	44,064	38,881
Changes in:				
- inventories	631	2,308	(484)	(1,650)
- trade and other receivables and contract assets	11,940	(7,383)	1,338	1,603
- trade and other payables and contract liabilities	932	(3,669)	(4,100)	(5,354)
Cash generated from operations	27,403	1,991	40,818	33,480
Tax paid	(14)	84	(22)	45
Net cash from operating activities	**27,389**	**2,075**	**40,796**	**33,525**
Cash flows from investing activities				
Acquisition of non-controlling interests	-	-	#	(1)
Acquisition of property, plant and equipment	(18,930)	(2,823)	(48,043)	(38,067)
Acquisition of intangible assets	(141)	(2)	(141)	(2)
Deposits pledged	-	(18)	-	(18)
Interest received	24	272	28	231
Proceeds from disposal of property, plant and equipment	2,490	649	2,501	759
Net cash used in investing activities	**(16,557)**	**(1,922)**	**(45,655)**	**(37,098)**
Cash flows from financing activities				
Dividends paid	(4,264)	(1,140)	(6,474)	(3,069)
Interest paid	(19)	(25)	(43)	(111)
Payment of lease liabilities (2018: Payment of finance lease liabilities)	(320)	(5)	(529)	(23)
Proceeds from issuance of ordinary shares	-	-	3,191	-
Proceeds from shareholders' loan	-	-	13,573	-
Proceeds from trust receipts	-	758	287	4,908
Repayment of short-term loans	-	-	-	(2,888)
Repayment of trust receipts	-	(1,428)	(2,010)	(6,885)
Withholding tax paid on dividends declared by a subsidiary	454	(3,673)	(3,706)	(3,673)
Net cash (used in)/generated from financing activities	**(4,149)**	**(5,513)**	**4,289**	**(11,741)**
Net increase/(decrease) in cash and cash equivalents	**6,683**	**(5,360)**	**(570)**	**(15,314)**
Cash and cash equivalents as at beginning of period/year (excluding pledged deposits)	5,700	18,753	13,027	28,570
Effect of exchange rate fluctuations on cash held	(38)	(366)	(112)	(229)
Cash and cash equivalents as at end of period/year (excluding pledged deposits)	**12,345**	**13,027**	**12,345**	**13,027**
Represented by :				
Cash at bank and on hand	12,345	12,288	12,345	12,288
Fixed deposits	57	796	57	796
Less : Fixed deposits pledged	(57)	(57)	(57)	(57)
Cash and cash equivalents as at end of period/year (excluding pledged deposits)	**12,345**	**13,027**	**12,345**	**13,027**

 # : Less than $1,000

** The Group initially applied SFRS(I) 16 at 1 January 2019, using modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying SFRS(I) 16 is recognised in 'accumulated losses' at the date of initial application.*

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							
	Share capital	Capital reserve	Revaluation reserve	Currency translation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group								
As at 1 January 2019	273,633	404	2,668	(10,438)	(71,407)	194,860	56,036	250,896
Adjustment on initial application of SFRS(I) 16, net of tax	-	-	-	-	(3)	(3)	-	(3)
Adjusted balance at 1 January 2019	**273,633**	**404**	**2,668**	**(10,438)**	**(71,410)**	**194,857**	**56,036**	**250,893**
Total comprehensive income for the year								
Profit for the year	-	-	-	-	16,763	16,763	12,651	29,414
Other comprehensive income								
Deficit on revaluation on property, plant and equipment	-	-	(2,405)	-	-	(2,405)	(52)	(2,457)
Tax on deficit on revaluation on property, plant and equipment	-	-	576	-	-	576	12	588
Realisation of revaluation reserve upon disposal of property, plant and equipment			(482)	-	482	-	-	-
Foreign currency exchange differences on monetary items forming part of net investment in foreign operations	-	-	-	93	-	93	(13)	80
Foreign currency translation differences - foreign operations	-	-	-	(4,510)	-	(4,510)	(649)	(5,159)
Total other comprehensive income	-	-	(2,311)	(4,417)	482	(6,246)	(702)	(6,948)
Total comprehensive income for the year	**-**	**-**	**(2,311)**	**(4,417)**	**17,245**	**10,517**	**11,949**	**22,466**
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	-	-	-	-	-	-	(12,618)	(12,618)
Total contributions by and distributions to owners	**3,191**	**-**	**-**	**-**	**-**	**3,191**	**(12,618)**	**(9,427)**
Changes in ownership interests in subsidiaries								
Acquisition of non-controlling interests without a change in control	-	-	-	-	(3,488)	(3,488)	3,488	#
Total changes in ownership interests in subsidiaries	**-**	**-**	**-**	**-**	**(3,488)**	**(3,488)**	**3,488**	**#**
Total transactions with owners	**3,191**	**-**	**-**	**-**	**(3,488)**	**(297)**	**(9,130)**	**(9,427)**
As at 31 December 2019	**276,824**	**404**	**357**	**(14,855)**	**(57,653)**	**205,077**	**58,855**	**263,932**
As at 1 January 2018	**273,633**	**404**	**2,651**	**(1,866)**	**(87,400)**	**187,422**	**55,390**	**242,812**
Total comprehensive income for the year								
Profit for the year	-	-	-	-	16,388	16,388	10,270	26,658
Other comprehensive income								
Surplus on revaluation on property, plant and equipment	-	-	22	-	-	22	-	22
Tax on surplus on revaluation on property, plant and equipment	-	-	(5)	-	-	(5)	-	(5)
Foreign currency exchange differences on monetary items forming part of net investment in foreign operations	-	-	-	(2,994)	-	(2,994)	(428)	(3,422)
Foreign currency translation differences - foreign operations	-	-	-	(5,594)	-	(5,594)	(1,152)	(6,746)
Total other comprehensive income	-	-	17	(8,588)	-	(8,571)	(1,580)	(10,151)
Total comprehensive income for the year	**-**	**-**	**17**	**(8,588)**	**16,388**	**7,817**	**8,690**	**16,507**
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners								
Dividends declared	-	-	-	-	-	-	(12,059)	(12,059)
Fair value adjustments on loans from non-controlling interests	-	-	-	-	-	-	3,637	3,637
Total contributions by and distributions to owners	**-**	**-**	**-**	**-**	**-**	**-**	**(8,422)**	**(8,422)**
Changes in ownership interests in subsidiaries								
Acquisition of non-controlling interests without a change in control	-	-	-	16	(395)	(379)	378	(1)
Total changes in ownership interests in subsidiaries	**-**	**-**	**-**	**16**	**(395)**	**(379)**	**378**	**(1)**
Total transactions with owners	**-**	**-**	**-**	**16**	**(395)**	**(379)**	**(8,044)**	**(8,423)**
As at 31 December 2018*	**273,633**	**404**	**2,668**	**(10,438)**	**(71,407)**	**194,860**	**56,036**	**250,896**

#: Less than $1,000

** The Group initially applied SFRS(I) 16 at 1 January 2019, using modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying SFRS(I) 16 is recognised in 'accumulated losses' at the date of initial application.*

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 January 2019	#	-	#
Adjustment on initial application of SFRS(I) 16, net of tax	-	(3)	(3)
Adjusted balance at 1 January 2019	**-**	**(3)**	**(3)**
Total comprehensive income for the year			
Loss for the year	-	(20,276)	(20,276)
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 transactions with owners, recognised directly in equity	**198,647**	**-**	**198,647**
As at 31 December 2019	**198,647**	**(20,279)**	**178,368**
As at 1 January 2018	**#**	**-**	**#**
Total comprehensive income for the year			
Profit for the year	-	-	-
As at 31 December 2018*	**#**	**-**	**#**

^ On 7 March 2019, following the delisting of CMIL, 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 CMIL 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 CMIL 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.

** The Group initially applied SFRS(I) 16 at 1 January 2019, using modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying SFRS(I) 16 is recognised in 'accumulated losses' at the date of initial application.*

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 year ended 31 December 2018, there was no change in the issued and paid up share capital of the Company.

The Company had no outstanding warrants as at 31 December 2019 and 2018.

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 31 December 2018 was 5,734,732,849 and 5,663,816,419 respectively.

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.

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/year compared with the audited financial statements for the financial year ended 31 December 2018.

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 2019:
- SFRS(I) 16 *Leases*
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*
- Amendments to SFRS(I) 1-28 *Long-term Interests in Associates and Joint Ventures*
- Amendments to SFRS(I) 9 *Prepayment Features with Negative Compensation*
- Amendments to SFRS(I) 3 and 11 *Previously Held Interests in a Joint Operation*
- Amendments to SFRS(I) 1-12 *Income Tax Consequences of Payments on Financial Instruments Classified as Equity*
- Amendments to SFRS(I) 1-23 *Borrowing Costs Eligible for Capitalisation*
- Amendments to SFRS(I) 1-19 *Plan Amendment, Curtailment or Settlement*

The adoption of the above standards do not have any significant impact on the Group's financial statements, except for SFRS(I) 16.

The Group applied SFRS(I) 16 on 1 January 2019, using the modified retrospective approach. The cumulative effect of adopting SFRS(I) 16 is recognised as an adjustment to the opening balance of retained earnings at 1 January 2019, with no restatement of comparative information. The Group applied the practical expedient to grandfather the definition of a lease on transition. The Group did not recognise right-of-use assets and liabilities for leases for which the lease terms ends within 12 months of the date of initial application. The Group also elected not to recognise right-of-use assets ("ROU") and lease liabilities for leases of low-value assets but recognised the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Group excluded initial direct costs from the measurement of the right-of-use assets at the date of initial application and used hindsight when determining the lease term.

At transition, the Group had measured the ROU assets at either its carrying amounts as if SFRS(I) 16 had been applied since the commencement date, but discounted using the incremental borrowing rate at the date of initial application.

As at 1 January 2019, the adoption of SFRS(I) 16 resulted in the following key effects at the Group and Company:

	Group S$'000	Company S$'000
Assets		
Property, plant and equipment - right-of-use assets	549	514
Liabilities		
Lease liabilities (current)	(136)	(124)
Lease liabilities (non-current)	(411)	(388)
Provisions (non-current)	(5)	(5)
Equity		
Accumulated losses	3	3

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.

	Group	
Net profit attributable to ordinary shareholders based on weighted average of 5,704,811,944 ordinary shares (2018: 5,663,816,419 ordinary shares):-	**Year ended 31 December 2019**	**Year ended 31 December 2018**
- Basic earnings per share	0.29 cents	0.29 cents
- Diluted earnings per share	0.29 cents	0.29 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.

	Group		Company	
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
Net asset value per ordinary share based on issued share capital of 5,734,732,849 ordinary shares as at 31 December 2019 (2018: 5,663,816,419 ordinary shares)	3.58 cents	3.44 cents	3.11 cents	2.40 cents*

** The net asset value per ordinary share for Company level as at 31 December 2018 represents that of CMIL's.*

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$9.0 million from S$28.8 million for fourth quarter ended 31 December 2018 ("4Q2018") to S$37.8 million for the fourth quarter ended 31 December 2019 ("4Q2019") and S$17.1 million from S$114.1 million for the full year ended 31 December 2018 ("FY2018") to S$131.2 million for the full year ended 31 December 2019 ("FY2019"). This was due to higher contribution of S$8.1 million in 4Q2019 and S$19.1 million in FY2019 from the cement segment arising from higher demand and cement prices in Tajikistan. There was also an increase in revenue of S$0.9 million for the aluminium segment during 4Q2019 due to new projects during that period and pick up in trading sales for aluminium related products. However, overall revenue for aluminium segment for FY2019 decreased by S$2.0 million due to a decline in sales from projects and sale of aluminium related products during the first three quarters of the year.

	4Q2019	4Q2018	FY2019	FY2018
Revenue	**S$'mil**	**S$'mil**	**S$'mil**	**S$'mil**
Aluminium	5.5	4.6	17.3	19.3
Cement	32.3	24.2	113.9	94.8
	37.8	28.8	131.2	114.1

Other income mainly comprised gain on sale of scrap, government grants, foreign exchange gain and rental income from investment properties.

Increase in changes in inventories of work-in-progress and finished goods, and raw materials and consumables used for 4Q2019 of S$16.6 million as compared to 4Q2018 of S$9.8 million, and FY2019 of S$43.5 million as compared to FY2018 of S$33.7 million was in line with the increase in sales for the cement segment.

The increase in staff and related costs in 4Q2019 of S$3.0 million as compared to 4Q2018 of S$1.7 million was due to an increase in subcontractors for the aluminium segment in line with an increase in revenue in this segment and an increase in number of employees in Kazakhstan. Overall staff and related and costs increased from S$9.6 million in FY2018 to S$10.2 million in FY2019 due to an increase in number of employees in Kazakhstan, offset by a decline in number of employees in Tajikistan as the plant entered into its third full year of operations with an increase in operational efficiency.

Depreciation of property, plant and equipment increased during the current year/period mainly due to: (i) completion of the construction of the grinding station in Tajikistan and the cement plant in Kazakhstan in May 2019 and December 2019 respectively; and (ii) the adoption of SFRS(I) 16, which resulted in depreciation of "right-of-use" assets. In 2018, rental payments made for operating leases were recorded under "other expenses" in the income statement.

Impairment loss of property, plant and equipment amounting to S$1.2 million in FY2019 mainly pertained to: (i) a freehold land used for a construction project in Malaysia that had been shelved by the Group indefinitely and based on its fair value less costs to sell using the market comparison approach (external valuation performed), the recoverable amount of the freehold land and its related construction costs was lower than that of its carrying amount by S$0.6 million; and (ii) impairment of right-of-use assets in the aluminium segment of S$0.6 million which had impairment indicators as it had been loss making in the past 3 years. In 2Q2019, the Group recognised an impairment loss of S$1.5 million for the sale of certain property, plant and equipment in Malaysia in the aluminium segment where the sale and purchase agreement was signed in 2Q2019 and the sale was completed in December 2019. However, as the properties were held at fair value, the impairment loss (being the difference between book value and selling price) should have been recorded against fair value gains previously recognised in the revaluation reserve, instead of profit or loss. As such, this amount was reversed during 4Q2019.

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/year-on-year.

As the collection and aging of trade and other receivables improved during FY2019 as compared to FY2018, this resulted in an overall reversal of impairment losses in FY2019. 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. This assessment was performed at the year end and an adjustment of S$0.5 million was taken up during 4Q2019.

Other expenses for FY2019 mainly comprised: (i) utilities of S$7.1 million; (ii) transportation of S$13.1 million; (iii) packaging of S$5.4 million; (iv) spare parts and maintenance of S$4.5 million; (v) professional and audit fees of S$2.9 million; (vi) tax-related expenses of S$1.0 million. The increase in other expenses was due to an increase in utilities, transportation and packaging costs, which was in line with the increase in revenue. There was also an increase in professional and audit fees incurred, arising from the Group's proposed acquisition of a cement plant in Namibia in FY2019.

Finance income increased from S$0.3 million in FY2018 to S$1.5 million in FY2019, and S$0.2 million in 4Q2018 to S$1.5 million in 4Q2019, mainly due to the impact on discounting of the long-term interest-free loans from Victory Gate Ventures Limited of S$1.0 million.

Finance costs increased from S$0.4 million in FY2018 to S$0.8 million in FY2019 and S$0.3 million in 4Q2018 to S$0.7 million in 4Q2019, mainly due to deemed interest/amortisation of right-of-use assets arising from the adoption of SFRS(I) 16 and unwinding of amortisation of the interest-free loan from the Group's non-controlling interests of S$0.4 million.

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 increased by S$98.7 million from S$160.8 million as at 31 December 2018 to S$259.5 million as at 31 December 2019 mainly due to additions in construction-in-progress from the construction of a cement plant in Kazakhstan and a grinding station in Tajikistan amounting to S$117.9 million and first-time recognition of 'right-of-use' assets of S$0.5 million due to adoption of SFRS(I) 16, offset by (i) depreciation of S$6.5 million; (ii) currency translation loss of S$7.2 million; (iii) disposal of property, plant and equipment and transfer to asset held for sale with net book value of S$4.9 million, mainly relating to the Group's aluminium operations in Malaysia; and (iv) impairment losses of S$1.2 million.

Intangible assets and goodwill mainly comprised subsoil rights and goodwill arising on acquisition of a cement plant in Tajikistan in 2017. Decrease of S$4.8 million during the year was mainly due to amortisation and currency translation loss of S$3.0 million and S$1.8 million respectively. Currency translation loss was due to the devaluation of the Tajikistan Somoni against the Singapore dollar.

At the Group level, long-term trade and other receivables as at 31 December 2018 mainly comprised deposits and prepayments for the construction of a cement plant in Kazakhstan and a grinding station in Tajikistan. As construction of the grinding station in Tajikistan was completed in May 2019 and construction of majority of the cement plant in Kazakhstan was completed in December 2019, these deposits and prepayments were reclassified to property, plant and equipment. 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 remained relatively consistent year-on-year due to similar expectations for sales in the first quarter of the next quarter.

The Group's current trade and other receivables as at 31 December 2019 comprised: (i) trade receivables of S$5.5 million, (ii) tax-related receivables of S$12.4 million; and (iii) other receivables/deposits/prepayments of S$2.6 million. The increase in current trade and other receivables of S$1.2 million is mainly due to the increase in sales in the aluminium segment during 4Q2019.

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 pertained to hostels and investment properties in Malaysia.

Increase in currency translation reserve (losses) of S$4.4 million mainly arose from the depreciation of the Tajikistan Somoni and Kazakhstan Tenge against the Singapore Dollar.

At the Group level, long-term loans and borrowings comprised: (i) S$12.5 million interest-free loans from the major shareholder, Victory Gate Ventures Limited, for the construction of the cement plant in Kazakhstan; and (ii) S$2.9 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 were interest-free loans from a subsidiary which was in turn lent to another subsidiary for the construction of the cement plant in Kazakhstan.

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.

Increase in trade and other payables at the Group level was mainly due to: (i) the amounts owing to the EPC contractor and suppliers for the construction of the cement plant in Kazakhstan; and (ii) dividends payable to the non-controlling interest of S$6.7 million.

Consolidated Statement of Cash Flows

Cash and cash equivalents of the Group declined slightly from S$13.0 million as at 31 December 2018 as compared to S$12.4 million as at 31 December 2019. This was mainly due to the acquisition of property, plant and equipment of S$48.0 million, dividends paid to non-controlling interests of S$6.5 million, repayment of trust receipts of S$2.0 million and withholding tax paid on dividends declared by a subsidiary of S$3.7 million, offset by FY2019 profits (operating cash inflow of S$40.8 million), proceeds from sale of property, plant and equipment of S$2.5 million, proceeds from issuance of ordinary shares of S$3.2 million and shareholders' loan of S$13.6 million.

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

The 4Q2019 financial results are in line with the comments made under paragraph 10 of 4Q2018.

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.

In January 2020, the Building and Construction Authority of Singapore announced that local construction demand is expected to remain strong, between S$28 billion and S$33 billion in 2020 due to sustained public sector contracts, which indicates potential for the Group’s aluminium business. On 17 February 2020, the Ministry of Trade and Industry ("MTI") downgraded its economic growth forecast for Singapore from 0.5 to 2.5%, to -0.5% to 1.5% for 2020 due to a weakened outlook after the outbreak of COVID-19. The MTI is expecting Singapore to count on sectors such as construction and information and communications to support Singapore's growth in 2020 where construction is projected to post steady growth, given a rebound in demand since 2018.

Even though the construction industry might face some near-term disruptions due to labour shortages and disrupted supply chain from China, it is believed that stronger demand and contracts, from both public and industrial projects, should continue driving the construction recovery for the full year. However, the Group retains an overall cautious outlook on its aluminium segment, as the operating environment has proven to be challenging and is expected to continue as such.

As at 31 December 2019, the Group’s order book stood at approximately S$22.7 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.

In Tajikistan, where our first cement plant is located, the government has indicated its plan to develop the country’s infrastructure, which includes the reconstruction of old buildings in the country. This will likely result in an increase in demand for quality building materials such as cement.

Similarly, in Kazakhstan, where the Group recently completed the construction of its second cement plant, cement demand is expected to remain strong. Buoyed by the government’s plans for achieving sustainable economic growth, which include developing the country’s transport infrastructure and housing sector, Kazakhstan’s construction industry is expected to expand in the near future. This will likely translate into an increase in demand for high-quality cement. With sales expected to commence in 2Q2020, the Group’s new Kazakhstan plant is well-poised to meet this demand when it arises.

In light of the COVID-19 outbreak, with business continuity measures put in place, the Group does not expect a material impact on its cement business based on the current situation.

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/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been recommended for the year ended 31 December 2019 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(a) Information about reportable segment profit or loss, assets and liabilities

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

	Aluminium S$'000	Cement S$'000	Others S$'000	Total S$'000
FY2019				
External revenues	17,294	113,935	-	131,229
Finance income	4	1,484	-	1,488
Finance costs	(71)	(737)	-	(808)
Depreciation of property, plant and equipment	(514)	(5,624)	-	(6,138)
Amortisation of intangible assets	-	(2,984)	-	(2,984)
Reportable segment (loss)/profit before income tax	(3,814)	39,091	(839)	34,438
Other material non-cash items :				
- Reversal of impairment loss on trade and other receivables and contract assets	87	453	-	540
- Impairment loss on property, plant and equipment	(569)	-	(649)	(1,218)
Reportable segment assets	15,886	348,014	1,575	365,475
Capital expenditure	925	117,283	-	118,208
Reportable segment liabilities	3,503	97,408	632	101,543
FY2018*^				
External revenues	19,311	94,796	-	114,107
Finance income	35	222	-	257
Finance costs	(106)	(301)	-	(407)
Depreciation of property, plant and equipment	(685)	(4,727)		(5,412)
Amortisation of intangible assets	-	(3,072)	-	(3,072)
Reportable segment (loss)/profit before income tax	(2,476)	33,675	(116)	31,083
Other material non-cash items :				
- Reversal of loss allowance on trade and other receivables and contract assets	114	1,388	-	1,502
Reportable segment assets	25,384	265,131	2,232	292,747
Capital expenditure	493	40,042	-	40,535
Reportable segment liabilities	6,126	35,080	645	41,851

** The Group initially applied SFRS(I) 16 at 1 January 2019, which requires the recognition of right-of-use assets and lease liabilities for lease contracts that were previously classified as operating leases. As a result, the Group recognised $549,000 of right-of-use assets and $547,000 of lease liabilities from those lease contracts. The assets and liabilities are included in the Aluminium and Cement segments as at 31 December 2019. The Group has applied SFRS(I) 16 using the modified retrospective approach, under which comparative information is not restated.*

^ The Group restated comparative figures for segment reporting by reclassifying corporate assets, corporate liabilities and corporate expenses so that the information presented is more representative and meaningful.

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

There are no reconciling items to be presented for consolidated total revenue, profit or loss before tax, assets and revenue of reportable segments and no adjustments to be presented for other material non-cash items to SFRS(I)s measures.

14(c) Information about geographical areas

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

	FY2019		FY2018*	
	Revenue	Non-current assets#	Revenue	Non-current assets#
	S$'000	S$'000	S$'000	S$'000
Singapore	11,330	500	12,206	45,142
Malaysia	4,195	1,869	6,497	7,471
Australia	1,702	-	511	-
Kazakhstan	-	94,408	-	28,470
Tajikistan	85,663	213,269	64,689	157,536
Afghanistan	22,339	-	18,844	-
Uzbekistan	5,830	-	11,263	-
Others	170	-	97	-
	131,229	310,046	114,107	238,619

** The Group initially applied SFRS(I) 16 at 1 January 2019, which requires the recognition of right-of-use assets and lease liabilities for lease contracts that were previously classified as operating leases. As a result, the Group recognised $549,000 of right-of-use assets and $547,000 of lease liabilities from those lease contracts. The assets and liabilities are included in the Aluminium and Cement segments as at 31 December 2019. The Group has applied SFRS(I) 16 using the modified retrospective approach, under which comparative information is not restated.*

 # Non-current assets exclude financial instruments.

14(d) Information about major customers

In 2018, revenue from two customers of the Group's cement segment represented approximately $36,255,000 of the Group's total revenue. In FY2019, there were no major customers representing more than 10% of the Group's total revenue.

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

		Group		
		FY2019	FY2018	Change
		S$'000	S$'000	%
16(a)	Sales reported for first half year	58,004	52,485	11
16(b)	Operating profit after tax before deducting non-controlling interests reported for first half year	10,570	11,510	(8)
16(c)	Sales reported for second half year	73,225	61,622	19
16(d)	Operating profit after tax before deducting non-controlling interests reported for second half year	18,844	15,148	24

17 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Not applicable

18 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 Tze Sian Milton	26	Son of Chng Beng Hua, Executive Director of the Company	Assistant General Manager (Corporate Affairs) appointed since 2018 to oversee the corporate affairs of the Group	None

19 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
26 February 2020