

Unaudited Financial Statements And Dividend Announcement For The Second Quarter Ended 30 June 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			Group		
	Second Quarter Ended			Half Year Ended		
	30-Jun-19	30-Jun-18	Increase/ (Decrease)	30-Jun-19	30-Jun-18	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	32,003	29,497	8	58,004	52,485	11
Other income	-	91	n/m	156	173	(10)
Changes in inventories of work-in-progress and finished goods	968	846	14	(1,207)	(1,911)	(37)
Raw materials and consumables used	(10,234)	(8,580)	19	(16,363)	(13,888)	18
Staff and related costs	(2,382)	(2,629)	(9)	(4,508)	(5,003)	(10)
Depreciation of property, plant and equipment	(1,253)	(1,387)	(10)	(2,674)	(2,734)	(2)
Impairment loss on property, plant and equipment	(1,507)	-	n/m	(1,507)	-	n/m
Amortisation of intangible assets	(742)	(776)	(4)	(1,479)	(1,556)	(5)
Reversal of/(loss allowance on) trade and other receivables and contract assets	835	(435)	n/m	812	(443)	n/m
Other expenses	(11,417)	(9,882)	16	(18,403)	(15,768)	17
	6,271	6,745	(7)	12,831	11,355	13
Finance income	1	10	(90)	4	26	(85)
Finance costs	(6)	(30)	(80)	(21)	(63)	(67)
Net finance costs	(5)	(20)	(75)	(17)	(37)	(54)
Profit before tax	6,266	6,725	(7)	12,814	11,318	13
Tax (expense)/credit	(1,195)	194	n/m	(2,244)	192	n/m
Profit for the period	5,071	6,919	(27)	10,570	11,510	(8)

Items that are or may be reclassified subsequently to profit or loss:

Foreign currency exchange differences on monetary items forming part of net investment in foreign operations	19	811	(98)	(161)	1,755	n/m
Foreign currency translation differences - foreign operations	(910)	(1,041)	(13)	(1,859)	(4,161)	(55)
	(891)	(230)	287	(2,020)	(2,406)	(16)
Other comprehensive income for the period, net of tax	(891)	(230)	287	(2,020)	(2,406)	(16)
Total comprehensive income for the period	4,180	6,689	(38)	8,550	9,104	(6)

Profit attributable to:

- Owners of the Company	1,995	3,422	(42)	4,887	5,365	(9)
- Non-controlling interests	3,076	3,497	(12)	5,683	6,145	(8)
Profit for the period	5,071	6,919	(27)	10,570	11,510	(8)

Total comprehensive income attributable to:

- Owners of the parent	1,517	3,560	(57)	3,632	4,850	(25)
- Non-controlling interests	2,663	3,129	(15)	4,918	4,254	16
Total comprehensive income for the period	4,180	6,689	(38)	8,550	9,104	(6)

Earnings per share

- Basic	0.04 cents	0.06 cents		0.09 cents	0.09 cents
- Diluted	0.04 cents	0.06 cents		0.09 cents	0.09 cents

NM : not meaningful

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

	Group		Group	
	Second Quarter Ended		Half Year Ended	
	30-Jun-19	30-Jun-18	30-Jun-19	30-Jun-18
	S\$'000	S\$'000	S\$'000	S\$'000
Bad debts recovered	(7)	-	(7)	(22)
Exchange loss	361	872	302	627
Gain on disposal of property, plant and equipment	-	(35)	(11)	(35)
Interest income from financial institutions	(1)	(10)	(4)	(26)
Interest on loans and borrowings	6	30	21	63
Provision for warranties	-	-	-	5
Provision for/(reversal of) inventories obsolescence	206	(16)	229	(21)

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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-19	31-Dec-18	30-Jun-19	31-Dec-18
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	174,462	160,765	20	12
Intangible assets and goodwill	51,853	53,697	-	-
Investment properties	593	612	-	-
Subsidiaries	-	-	273,633	273,633
Trade and other receivables	-	23,599	-	-
Contract assets	594	1,634	-	-
	227,502	240,307	273,653	273,645
Current assets				
Inventories	21,274	19,439	-	-
Trade and other receivables	52,628	19,234	2,743	72
Contract assets	1,910	682	-	-
Other investments	1	1	-	-
Cash and cash equivalents	9,692	13,084	22	-
Non-current assets held for sale	1,960	-	-	-
	87,465	52,440	2,765	72
Total assets	314,967	292,747	276,418	273,717
Equity attributable to owners of the Company				
Share capital	276,824	273,633	276,824	273,633
Capital reserve	404	404	-	-
Revaluation reserve	2,668	2,668	-	-
Currency translation reserve	(11,693)	(10,438)	-	-
Accumulated losses	(66,692)	(71,407)	(1,567)	-
	201,511	194,860	275,257	273,633
Non-controlling interests	50,277	56,036	-	-
Total equity	251,788	250,896	275,257	273,633
Non-current liabilities				
Loans and borrowings	96	107	-	-
Long-term other payables	11,620	3,096	-	-
Deferred tax liabilities	7,126	8,899	-	-
	18,842	12,102	-	-
Current liabilities				
Trade and other payables	29,724	27,185	1,161	84
Contract liabilities	112	151	-	-
Provisions	414	615	-	-
Loans and borrowings	9,868	1,746	-	-
Current tax payable	4,219	52	-	-
	44,337	29,749	1,161	84
Total liabilities	63,179	41,851	1,161	84
Total equity and liabilities	314,967	292,747	276,418	273,717

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 will 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 second quarter ended 30 June 2018 and half year ended 30 June 2018) are that of CMIL Group.

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-19		31-Dec-18	
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
23	9,845	23	1,723

(b) Amount repayable after one year

30-Jun-19		31-Dec-18	
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
96	-	107	-

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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	
	Second Quarter Ended		Half Year Ended	
	30-Jun-19	30-Jun-18	30-Jun-19	30-Jun-18
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Profit for the period	5,071	6,919	10,570	11,510
Adjustments for:				
Amortisation of intangible assets	742	776	1,479	1,556
Bad debts recovered	(7)	-	(7)	(22)
Depreciation of property, plant and equipment	1,253	1,387	2,674	2,734
Finance costs	6	30	21	63
Finance income	(1)	(10)	(4)	(26)
Gain on disposal of property, plant and equipment	-	(35)	(11)	(35)
Impairment loss on property, plant and equipment	1,507	-	1,507	-
(Reversal of)/loss allowance on trade and other receivables and contract assets	(835)	435	(812)	443
Provision for/(reversal of) inventories obsolescence	206	(16)	229	(21)
Provision for warranties	-	-	-	5
Tax expense/(credit)	1,195	(194)	2,244	(192)
	9,137	9,292	17,890	16,015
Changes in:				
- inventories	(2,960)	(1,637)	(2,156)	919
- trade and other receivables and contract assets	(2,605)	20,775	(9,334)	19,008
- trade and other payables and contract liabilities	4,295	(334)	(3,151)	(3,166)
Cash generated from operations	7,867	28,096	3,249	32,776
Tax paid	-	(15)	(38)	(32)
Net cash from operating activities	7,867	28,081	3,211	32,744
Cash flows from investing activities				
Acquisition of non-controlling interests	-	(1)	#	(1)
Acquisition of property, plant and equipment	(8,990)	(31,080)	(17,030)	(35,092)
Proceeds from issuance of ordinary shares	3,191	-	3,191	-
Interest received	1	10	4	26
Proceeds from disposal of property, plant and equipment	-	37	11	37
Net cash used in investing activities	(5,798)	(31,034)	(13,824)	(35,030)
Cash flows from financing activities				
Dividends paid	(1,164)	-	(1,164)	-
Interest paid	(6)	(30)	(21)	(63)
Payment of finance lease liabilities	(6)	(6)	(12)	(12)
Proceeds from trust receipts	-	1,261	287	3,019
Repayment of short-term loans	-	-	-	(2,986)
Repayment of trust receipts	(1,045)	(2,018)	(2,010)	(3,700)
Proceeds from shareholders' loan	-	-	10,080	-
Net cash (used in)/from financing activities	(2,221)	(793)	7,160	(3,742)
Net increase/(decrease) in cash and cash equivalents	(152)	(3,746)	(3,453)	(6,028)
Cash and cash equivalents as at beginning of period (excluding pledged deposits)	9,568	26,371	13,084	28,570
Effect of exchange rate fluctuations on cash held	276	(109)	61	(26)
Cash and cash equivalents as at end of period (excluding pledged deposits)	9,692	22,516	9,692	22,516
Represented by :				
Cash at bank and on hand	9,692	19,595	9,692	19,595
Fixed deposits	57	3,070	57	3,070
Less : Fixed deposits pledged	(57)	(57)	(57)	(57)
Cash and cash equivalents as at end of period (excluding pledged deposits)	9,692	22,608	9,692	22,608

#: Less than \$1,000

Unaudited Financial Statements And Dividend Announcement For The Second Quarter Ended 30 June 2019

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from the capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Attributable to owners of the parent					Total	Non-controlling interests	Total equity
	Share capital	Capital reserve	Revaluation reserve	Currency translation reserve	Accumulated losses			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	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
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)
Total transactions with owners	3,191	-	-	-	-	3,191	(10,849)	(7,658)
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	-	-	-	(172)	3,019	(10,677)	(7,658)
As at 30 June 2019	276,824	404	2,668	(11,693)	(66,692)	201,511	50,277	251,788
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 period								
Profit for the period	-	-	-	-	5,365	5,365	6,145	11,510
Other comprehensive income								
Foreign currency exchange differences on monetary items forming part of net investment in foreign operations	-	-	-	1,755	-	1,755	-	1,755
Realisation of revaluation reserve	-	-	(71)	-	71	-	-	-
Foreign currency translation differences - foreign operations	-	-	-	(2,270)	-	(2,270)	(1,891)	(4,161)
Total other comprehensive income	-	-	(71)	(515)	71	(515)	(1,891)	(2,406)
Total comprehensive income for the period	-	-	(71)	(515)	5,436	4,850	4,254	9,104
Transactions with owners, recognised directly in equity								
Changes in ownership interests in subsidiaries								
Acquisition of non-controlling interests without a change in control	-	-	-	16	(395)	(379)	378	(1)
Total transactions with owners	-	-	-	16	(395)	(379)	378	(1)
As at 30 June 2018	273,633	404	2,580	(2,365)	(82,359)	191,893	60,022	251,915

#: Less than \$1,000

Unaudited Financial Statements And Dividend Announcement For The Second Quarter Ended 30 June 2019

	Attributable to owners of the Company		
	Share capital	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000
Company			
As at 1 January 2019	273,633	-	273,633
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
As at 30 June 2019	<u>276,824</u>	<u>(1,567)</u>	<u>275,257</u>
As at 1 January 2018	273,633	-	273,633
Total comprehensive income for the period			
Profit for the period	-	-	-
As at 30 June 2018	<u>273,633</u>	<u>-</u>	<u>273,633</u>

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 financial period ended 30 June 2018, 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 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 30 June 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 compared with the audited financial statements for the financial year ended 31 December 2018.

Unaudited Financial Statements And Dividend Announcement For The Second Quarter Ended 30 June 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 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.

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 period based on net profit attributable to shareholders:-

Based on weighted average of 5,674,395,113 ordinary shares
(2018: 5,663,816,419 ordinary shares)

On a fully diluted basis

Group	
Half year ended 30 June 2019	Half year ended 30 June 2018
0.09 cents	0.09 cents
0.09 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 2019 (2018: 5,663,816,419 ordinary shares)

Group		Company	
30-Jun-19	31-Dec-18	30-Jun-19	31-Dec-18
3.52 cents	3.44 cents	4.80 cents	4.83 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\$2.5 million from S\$29.5 million for second quarter ended 30 June 2018 ("2Q2018") to S\$32.0 million for the second quarter ended 30 June 2019 ("1Q2019") and S\$5.5 million from S\$52.5 million for the half year ended 30 June 2018 ("1H2018") to S\$58.0 million for the half year ended 30 June 2019 ("1H2019"). This was higher contribution of S\$4.0 million in 2Q2019 and S\$7.8 million in 1H2019 from the cement segment arising from higher demand and cement prices in Tajikistan, offset by a decrease in revenue of S\$1.5 million in 2Q2019 and S\$2.3 million in 1H2019 from the aluminium segment due to a decline in sales from projects and sale of aluminium related products.

	2Q2019	2Q2018	1H2019	1H2018
Revenue	S\$'mil	S\$'mil	S\$'mil	S\$'mil
Aluminium	4.4	5.9	7.6	9.9
Cement	27.6	23.6	50.4	42.6
	32.0	29.5	58.0	52.5

Other income mainly comprised gain on disposal of property, plant and equipment and sale of scrap.

Increase in changes in inventories of work-in-progress and finished goods, and raw materials and consumables used for 2Q2019 of S\$9.3 million as compared to 2Q2018 of S\$7.7 million, and 1H2019 of S\$17.6 million and 1H2018 of S\$15.8 million was in line with the increase in sales for the cement segment.

Lower staff and related costs was due to one-off compensation costs in 1H2018.

Depreciation of property, plant and equipment remained relatively consistent.

During 2Q2019, the Group signed a sale and purchase agreement to dispose certain property, plant and equipment in the aluminium segment. This sale is subject to regulatory approval. As the sale is 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 have been written down to fair value less costs to sell and an impairment loss of S\$1.5 million was recognised during 2Q2019.

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 remained relatively consistent.

As the collection and aging of trade and other receivables improved during 2Q2019 as compared to the financial year ended 31 December 2018, this resulted in a reversal of impairment losses during the current quarter. In accordance with SFRS(I) 9 *Financial Instruments*, the loss allowance was made in prior years based on the 'expected loss' model. These reversals related to the 'expected credit losses' which was based on percentages of each aging bracket and do not relate to any specific counterparty.

Other expenses for 1H2019 mainly comprised: (i) utilities of S\$2.9 million; (ii) transportation of S\$5.3 million; (iii) packaging of S\$2.9 million; (iv) selling and distribution expenses of S\$0.5 million; (v) spare parts and maintenance of S\$0.3 million; (vi) travelling expenses of S\$0.3 million; (vii) VAT expense of S\$0.4 million; and (viii) professional and audit fees of S\$1.0 million. The increase in other expenses was due to an increase in utilities, transportation, packaging and selling and distribution expenses, which was in line with the increase in revenue.

Unaudited Financial Statements And Dividend Announcement For The Second Quarter Ended 30 June 2019

- 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. (continued)**

Consolidated Income Statement (continued)

Tax expense in 2Q2019 and 1H2019 mainly pertained to provision for 12% withholding tax on unremitted profits from an overseas subsidiary. Provision for withholding tax on FY2018 profits (including 1Q2018 and 1H2018 profits) from the overseas subsidiary was only made from 3Q2018 onwards as the subsidiary declared dividends during that period and there was no history of declaration of dividends prior to that, since the date of incorporation of this subsidiary (and therefore no provision was made prior to that).

Consolidated Statement of Financial Position

Property, plant and equipment increased by S\$13.7 million from S\$160.8 million as at 31 December 2018 to S\$174.5 million as at 30 June 2019 due to additions in construction-in-progress from the construction of a cement plant in Kazakhstan and additional facilities for a cement plant in Tajikistan amounting to S\$21.7 million, offset by (i) depreciation of S\$2.7 million; (ii) currency translation loss of S\$1.8 million; and (iii) reclassification of S\$3.5 million to non-current assets held for sale.

Intangible assets and goodwill mainly comprised subsoil rights and goodwill arising on acquisition of a cement plant in Tajikistan in 2017. Decrease of S\$1.8 million was due to amortisation and currency translation loss of S\$1.5 million and S\$0.3 million respectively.

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 additional facilities for a cement plant in Tajikistan. These amounts have been reclassified to current as construction of the additional facility in Tajikistan has been completed during the second quarter of this year and the construction of the cement plant in Kazakhstan is expected to be completed within the next 12 months.

Increase in inventories of S\$1.8 million was due to additional raw materials purchased during the second quarter of the current year in anticipation of sales in the cement segment for the next quarter.

Current trade and other receivables as at 30 June 2019 mainly comprised: (i) trade receivables of S\$15.4 million, (ii) VAT receivables of S\$6.8 million; and (iii) deposits and prepayments made to Engineering, Procurement and Construction ("EPC") contractors and procurement costs for equipment to be installed on site, for purposes of the construction of the cement plant in Kazakhstan amounting to S\$29.2 million. The increase in current trade and other receivables balance is due to the reclassification of long-term trade and other receivables to current as construction of the cement plant in Kazakhstan is expected to be completed within the next 12 months.

Non-current assets held for sale relates to certain property, plant and equipment which was reclassified from property, plant and equipment as the Group entered into a sale and purchase agreement during the second quarter of the year. Refer to above for more details. The S\$2.0 million balance is net of S\$1.5 million impairment loss recorded based on the fair value less cost to sell of these property, plant and equipment.

Increase in currency translation reserve (losses) of S\$1.3 million mainly arose from the depreciation of the Tajikistan Somoni and Kazakhstan Tenge against the Singapore Dollar.

Long-term other payables mainly comprised dividend payable to non-controlling interests of S\$11.0 million.

Decrease in deferred tax liabilities was due to reclassification of S\$4.2 million withholding tax on unremitted dividends from an overseas subsidiary to current tax payable as dividends were declared by the subsidiary during 2Q2019 which will only be paid to the relevant tax authorities in the second half of the year, offset by withholding tax on 1H2019 profits made by the overseas subsidiary amounting to S\$2.2 million.

Increase in trade and other payables was mainly due to the amounts owing to EPC contractors for the purchase of property, plant and equipment for the construction of cement plant in Kazakhstan.

Short-term loans and borrowings mainly comprised an interest-free loan from the major shareholder of S\$9.8 million for the payment to the EPC contractor for the construction of the cement plant in Kazakhstan.

Increase in current tax payable is due to reclassification of S\$4.2 million withholding tax on unremitted dividends from deferred tax liabilities as the subsidiary declared dividends during 2Q2019 which will only be paid to the relevant tax authorities in the second half of the year.

Consolidated Statement of Cash Flows

The decrease in cash and cash equivalents of the Group from 31 December 2018 as compared to 30 June 2019 was mainly due to acquisition of property, plant and equipment of S\$17.0 million, repayment of trust receipts of S\$2.0 million and dividends paid to non-controlling interests of S\$1.2 million, offset by 1H2019 profits, proceeds from issuance of ordinary shares of S\$3.2 million and shareholders' loan of S\$10.0 million.

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

The 2Q2019 financial results are in line with the comments made under paragraph 10 of 4Q2018.

Unaudited Financial Statements And Dividend Announcement For The Second Quarter Ended 30 June 2019

- 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 order book as at 30 June 2019, including variation orders amounted to approximately S\$29.6 million (31 March 2019: S\$25.6 million) and these projects are expected to be completed progressively over the next 3 years.

These projects relate to public and private building projects in Singapore. The supply of these projects is determined by the developers for the private sector and HDB for the public sector. The Building & Construction Authority of Singapore announced in January 2019 that construction demand is expected to remain strong in 2019 due to sustained public sector contracts and it expects a steady improvement in construction demand over the medium term. However, the Group remains cautious on the outlook for the aluminium business as the operating environment for the aluminium business continues to be challenging.

Cement

The Group remains prudently optimistic on the outlook for the cement business as demand in Tajikistan remains strong. Most of the infrastructure and buildings in Tajikistan are old and the government is planning to increase the investment in and reconstruction of the country's infrastructure. This will result in an expected increase in demand for quality building materials which is in line with the expected growth in Tajikistan's economy. In 2Q2019, the Group completed the construction of additional facilities for the cement plant in Tajikistan which will help to further strengthen the Group's export to neighbouring countries of Tajikistan and these additional facilities are also expected to bring cost savings to the Group.

The cement plant in Kazakhstan is under construction which is expected to be completed during the second half of 2019.

- 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 financial period ended 30 June 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 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 financial period ended 30 June 2019 to be false or misleading in any material respect.

- 15 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 2019