

**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		
	Third Quarter Ended			Nine Months Ended		
	30-Sep-19	30-Sep-18	Increase/ (Decrease)	30-Sep-19	30-Sep-18	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	35,398	32,840	8	93,402	85,325	9
Other income	142	77	84	298	250	19
Changes in inventories of work-in-progress and finished goods	(1,164)	(103)	1,030	(2,371)	(2,014)	18
Raw materials and consumables used	(8,194)	(7,990)	3	(24,557)	(21,878)	12
Staff and related costs	(2,670)	(2,819)	(5)	(7,178)	(7,822)	(8)
Depreciation of property, plant and equipment	(1,646)	(1,408)	17	(4,320)	(4,142)	4
Impairment loss on property, plant and equipment	-	-	n/m	(1,507)	-	n/m
Amortisation of intangible assets	(747)	(754)	(1)	(2,226)	(2,310)	(4)
Reversal of/(loss allowance on) trade and other receivables and contract assets	218	144	51	1,030	(299)	(444)
Other expenses	(11,232)	(9,834)	14	(29,635)	(25,602)	16
	10,105	10,153	(0)	22,936	21,508	7
Finance income	#	20	(100)	4	46	(91)
Finance costs	(81)	(23)	252	(102)	(86)	19
<b>Net finance costs</b>	(81)	(3)	2,600	(98)	(40)	145
<b>Profit before tax</b>	10,024	10,150	(1)	22,838	21,468	6
Tax expense	(1,210)	(4,552)	(73)	(3,454)	(4,360)	(21)
<b>Profit for the period</b>	8,814	5,598	57	19,384	17,108	13

**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	166	(2,440)	(107)	5	(685)	(101)
Foreign currency translation differences - foreign operations	(687)	(2,157)	(68)	(2,546)	(6,318)	(60)
	(521)	(4,597)	(89)	(2,541)	(7,003)	(64)
<b>Other comprehensive income for the period, net of tax</b>	(521)	(4,597)	(89)	(2,541)	(7,003)	(64)
<b>Total comprehensive income for the period</b>	8,293	1,001	729	16,843	10,105	67

**Profit attributable to:**

- Owners of the Company	5,007	4,040	24	9,894	9,405	5
- Non-controlling interests	3,807	1,558	144	9,490	7,703	23
<b>Profit for the period</b>	8,814	5,598	57	19,384	17,108	13

**Total comprehensive income attributable to:**

- Owners of the parent	4,352	(278)	(1,665)	7,984	4,572	75
- Non-controlling interests	3,941	1,279	208	8,859	5,533	60
<b>Total comprehensive income for the period</b>	8,293	1,001	728	16,843	10,105	67

**Earnings per share**

- Basic	0.09 cents	0.06 cents		0.17 cents	0.16 cents
- Diluted	0.09 cents	0.06 cents		0.17 cents	0.16 cents

NM : not meaningful

# : Less than \$1,000

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

	Group		Group	
	Third Quarter Ended		Nine Months Ended	
	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18
	S\$'000	S\$'000	S\$'000	S\$'000
Bad debts recovered	(9)	-	(16)	-
Exchange (gain)/loss	(61)	(338)	241	289
Loss/(gain) on disposal of property, plant and equipment	3	(51)	(8)	(86)
Interest income from financial institutions	#	(20)	(4)	(46)
Interest on loans and borrowings	3	23	24	86
Provision for warranties	-	-	-	5
Reversal of inventories obsolescence	(2)	(27)	227	(32)

# : Less than \$1,000

Unaudited Financial Statements And Dividend Announcement For The Third Quarter Ended 30 September 2019

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-Sep-19 S\$'000	31-Dec-18 S\$'000	30-Sep-19 S\$'000	31-Dec-18 S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	186,401	160,765	432	12
Intangible assets and goodwill	51,092	53,697	-	-
Investment properties	585	612	-	-
Subsidiaries	-	-	273,633	273,633
Trade and other receivables	-	23,599	-	-
Contract assets	1,070	1,634	-	-
	239,148	240,307	274,065	273,645
<b>Current assets</b>				
Inventories	20,340	19,439	-	-
Trade and other receivables	54,947	19,234	12,499	72
Contract assets	1,002	682	-	-
Other investments	1	1	-	-
Cash and cash equivalents	5,700	13,084	23	-
Non-current assets held for sale	1,979	-	-	-
	83,969	52,440	12,522	72
<b>Total assets</b>	323,117	292,747	286,587	273,717
<b>Equity attributable to owners of the Company</b>				
Share capital	276,824	273,633	276,824	273,633
Capital reserve	404	404	-	-
Revaluation reserve	2,668	2,668	-	-
Currency translation reserve	(12,348)	(10,438)	-	-
Accumulated losses	(61,688)	(71,407)	(2,434)	-
	205,860	194,860	274,390	273,633
<b>Non-controlling interests</b>	52,657	56,036	-	-
<b>Total equity</b>	258,517	250,896	274,390	273,633
<b>Non-current liabilities</b>				
Loans and borrowings	-	107	-	-
Long-term other payables	3,769	3,096	291	-
Contract liabilities	79	-	-	-
Deferred tax liabilities	8,055	8,899	-	-
	11,903	12,102	291	-
<b>Current liabilities</b>				
Trade and other payables	38,066	27,185	11,906	84
Contract liabilities	583	151	-	-
Provisions	475	615	-	-
Loans and borrowings	13,573	1,746	-	-
Current tax payable	-	52	-	-
	52,697	29,749	11,906	84
<b>Total liabilities</b>	64,600	41,851	12,197	84
<b>Total equity and liabilities</b>	323,117	292,747	286,587	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 third quarter ended 30 September 2018 and nine months ended 30 September 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-Sep-19		31-Dec-18	
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
-	13,573	23	1,723

(b) Amount repayable after one year

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

## Unaudited Financial Statements And Dividend Announcement For The Third Quarter Ended 30 September 2019

## 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	
	Third Quarter Ended		Nine Months Ended	
	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from operating activities</b>				
Profit for the period	8,814	5,598	19,384	17,108
Adjustments for:				
Amortisation of intangible assets	747	754	2,226	2,310
Bad debts recovered	(9)	-	(16)	-
Depreciation of property, plant and equipment	1,646	1,408	4,320	4,142
Finance costs	81	23	102	86
Finance income	#	(20)	(4)	(46)
Loss/(gain) on disposal of property, plant and equipment	3	(51)	(8)	(86)
Impairment loss on property, plant and equipment	-	-	1,507	-
(Reversal of)/loss allowance on trade and other receivables and contract assets	(218)	(144)	(1,030)	299
(Reversal of)/provision for inventories obsolescence	(2)	(27)	227	(32)
Provision for warranties	-	-	-	5
Tax expense	1,210	4,552	3,454	4,360
	12,272	12,093	30,162	28,146
Changes in:				
- inventories	1,041	(5,125)	(1,115)	(4,206)
- trade and other receivables and contract assets	(1,466)	(9,086)	(10,800)	9,976
- trade and other payables and contract liabilities	(1,879)	8,628	(5,030)	5,462
Cash generated from operations	9,968	6,510	13,217	39,378
Tax paid	30	(7)	(8)	(39)
<b>Net cash from operating activities</b>	9,998	6,503	13,209	39,339
<b>Cash flows from investing activities</b>				
Acquisition of non-controlling interests	-	-	#	(1)
Acquisition of property, plant and equipment	(11,942)	(7,414)	(28,972)	(42,506)
Interest received	-	(67)	4	(41)
Proceeds from disposal of property, plant and equipment	-	73	11	110
Proceeds from issuance of ordinary shares	-	-	3,191	-
<b>Net cash used in investing activities</b>	(11,942)	(7,408)	(25,766)	(42,438)
<b>Cash flows from financing activities</b>				
Dividends paid	(1,046)	(1,929)	(2,210)	(1,929)
Interest paid	(3)	(23)	(24)	(86)
Payment of finance lease liabilities (2018: Payment of finance lease liabilities)	(197)	(6)	(209)	(18)
Proceeds from shareholders' loan	3,493	-	13,573	-
Proceeds from trust receipts	-	1,131	287	4,150
Repayment of short-term loans	-	-	-	(2,986)
Repayment of trust receipts	-	(1,757)	(2,010)	(5,457)
Withholding tax paid on dividends declared by a subsidiary	(4,160)	-	(4,160)	-
<b>Net cash from/(used in) financing activities</b>	(1,913)	(2,584)	5,247	(6,326)
<b>Net decrease in cash and cash equivalents</b>	(3,857)	(3,489)	(7,310)	(9,425)
Cash and cash equivalents as at beginning of period (excluding pledged deposits)	9,692	22,608	13,084	28,570
Effect of exchange rate fluctuations on cash held	(135)	(366)	(74)	(392)
<b>Cash and cash equivalents as at end of period (excluding pledged deposits)</b>	5,700	18,753	5,700	18,753
<b>Represented by :</b>				
Cash at bank and on hand	5,700	18,016	5,700	18,016
Fixed deposits	57	793	57	793
Less : Fixed deposits pledged	(57)	(56)	(57)	(56)
<b>Cash and cash equivalents as at end of period (excluding pledged deposits)</b>	5,700	18,753	5,700	18,753

#: Less than \$1,000

Unaudited Financial Statements And Dividend Announcement For The Third Quarter Ended 30 September 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
<b>Group</b>								
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)
<b>Adjusted balance at 1 January 2019</b>	<b>273,633</b>	<b>404</b>	<b>2,668</b>	<b>(10,438)</b>	<b>(71,410)</b>	<b>194,857</b>	<b>56,036</b>	<b>250,893</b>
<b>Total comprehensive income for the period</b>								
Profit for the period	-	-	-	-	9,894	9,894	9,490	19,384
<b>Other comprehensive income</b>								
Foreign currency exchange differences on monetary items forming part of net investment in foreign operations	-	-	-	4	-	4	1	5
Foreign currency translation differences - foreign operations	-	-	-	(1,914)	-	(1,914)	(632)	(2,546)
Total other comprehensive income	-	-	-	(1,910)	-	(1,910)	(631)	(2,541)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,910)</b>	<b>9,894</b>	<b>7,984</b>	<b>8,859</b>	<b>16,843</b>
<b>Transactions with owners, recognised directly in equity</b>								
<b>Contributions by and distributions to owners</b>								
Issue of ordinary shares	3,191	-	-	-	-	3,191	-	3,191
Dividends declared	-	-	-	-	-	-	(12,410)	(12,410)
<b>Total contributions by and distributions to owners</b>	<b>3,191</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,191</b>	<b>(12,410)</b>	<b>(9,219)</b>
<b>Changes in ownership interests in subsidiaries</b>								
Acquisition of non-controlling interests without a change in control	-	-	-	-	(172)	(172)	172	#
<b>Total changes in ownership interests in subsidiaries</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(172)</b>	<b>(172)</b>	<b>172</b>	<b>#</b>
<b>Total transactions with owners</b>	<b>3,191</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(172)</b>	<b>3,019</b>	<b>(12,238)</b>	<b>(9,219)</b>
As at 30 September 2019	276,824	404	2,668	(12,348)	(61,688)	205,860	52,657	258,517
As at 1 January 2018	273,633	404	2,651	(1,866)	(87,400)	187,422	55,390	242,812
<b>Total comprehensive income for the period</b>								
Profit for the period	-	-	-	-	9,405	9,405	7,703	17,108
<b>Other comprehensive income</b>								
Foreign currency exchange differences on monetary items forming part of net investment in foreign operations	-	-	-	(685)	-	(685)	-	(685)
Realisation of revaluation reserve	-	-	(95)	-	95	-	-	-
Foreign currency translation differences - foreign operations	-	-	-	(4,148)	-	(4,148)	(2,170)	(6,318)
Total other comprehensive income	-	-	(95)	(4,833)	95	(4,833)	(2,170)	(7,003)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(95)</b>	<b>(4,833)</b>	<b>9,500</b>	<b>4,572</b>	<b>5,533</b>	<b>10,105</b>
<b>Transactions with owners, recognised directly in equity</b>								
<b>Contributions by and distributions to owners</b>								
Dividends declared	-	-	-	-	(12,056)	(12,056)	-	(12,056)
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(12,056)</b>	<b>(12,056)</b>	<b>-</b>	<b>(12,056)</b>
<b>Changes in ownership interests in subsidiaries</b>								
Acquisition of non-controlling interests without a change in control	-	-	-	16	(395)	(379)	378	(1)
<b>Total changes in ownership interests in subsidiaries</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16</b>	<b>(395)</b>	<b>(379)</b>	<b>378</b>	<b>(1)</b>
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16</b>	<b>(12,451)</b>	<b>(12,435)</b>	<b>378</b>	<b>(12,057)</b>
As at 30 September 2018	273,633	404	2,556	(6,683)	(90,351)	179,559	61,301	240,860

#: Less than \$1,000

Unaudited Financial Statements And Dividend Announcement For The Third Quarter Ended 30 September 2019

	Attributable to owners of the Company		
	Share capital	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000
<b>Company</b>			
As at 1 January 2019	273,633	-	273,633
Adjustment on initial application of SFRS(I) 16, net of tax	-	(2)	(2)
<b>Adjusted balance at 1 January 2019</b>	<b>273,633</b>	<b>(2)</b>	<b>273,631</b>
<b>Total comprehensive income for the period</b>			
Loss for the period	-	(2,432)	(2,432)
<b>Transactions with owners, recognised directly in equity</b>			
<b>Contributions by and distributions to owners</b>			
Issue of ordinary shares	3,191	-	3,191
As at 30 September 2019	<u>276,824</u>	<u>(2,434)</u>	<u>274,390</u>
As at 1 January 2018	273,633	-	273,633
<b>Total comprehensive income for the period</b>			
Profit for the period	-	-	-
As at 30 September 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 70,916,320 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 September 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 September 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 September 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 Third Quarter Ended 30 September 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, 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 and the Group did not recognise right-of-use assets and liabilities for leases with less than 12 months of lease term. The Group also elected not to recognise right-of-use assets and lease liabilities for some 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.

At transition, the Group had measured the right-of-use ("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
<b>Assets</b>		
Property, plant and equipment	535	510
<b>Liabilities</b>		
Lease liabilities (current)	(133)	(124)
Lease liabilities (non-current)	(405)	(388)
<b>Equity</b>		
Accumulated losses	3	2

**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 5,694,728,709 ordinary shares  
(2018: 5,663,816,419 ordinary shares)

On a fully diluted basis

Group	
Nine months ended 30 September 2019	Nine months ended 30 September 2018
0.17 cents	0.16 cents
0.17 cents	0.16 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 September 2019 (2018: 5,663,816,419 ordinary shares)

Group		Company	
30-Sep-19	31-Dec-18	30-Sep-19	31-Dec-18
3.59 cents	3.44 cents	4.78 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\$2.6 million from S\$32.8 million for third quarter ended 30 September 2018 ("3Q2018") to S\$35.4 million for the third quarter ended 30 September 2019 ("3Q2019") and S\$8.1 million from S\$85.3 million for the nine months ended 30 September 2018 ("9M2018") to S\$93.4 million for the nine months ended 30 September 2019 ("9M2019"). This was due to higher contribution of S\$3.2 million in 3Q2019 and S\$11.0 million in 9M2019 from the cement segment arising from higher demand and cement prices in Tajikistan, offset by a decrease in revenue of S\$0.6 million in 3Q2019 and S\$2.9 million in 9M2019 from the aluminium segment due to a decline in sales from projects and sale of aluminium related products.

	3Q2019	3Q2018	9M2019	9M2018
	S\$'mil	S\$'mil	S\$'mil	S\$'mil
<b>Revenue</b>				
Aluminium	4.2	4.8	11.8	14.7
Cement	31.2	28.0	81.6	70.6
	<u>35.4</u>	<u>32.8</u>	<u>93.4</u>	<u>85.3</u>

**Unaudited Financial Statements And Dividend Announcement For The Third Quarter Ended 30 September 2019**

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

Increase in changes in inventories of work-in-progress and finished goods, and raw materials and consumables used for 3Q2019 of S\$9.4 million as compared to 3Q2018 of S\$8.1 million, and 9M2019 of S\$26.9 million as compared to 9M2018 of S\$23.9 million was in line with the increase in sales for the cement segment.

Lower staff and related costs in 3Q2019 as compared to 3Q2018 and 9M2019 as compared to 9M2018 was due to lower number of employees in Tajikistan during the current year as the plant entered into its third full year of operations with an increase in operational efficiency. One-off compensation costs for the aluminium segment was also incurred during the first half of 2018.

Depreciation of property, plant and equipment increased during the current period due to 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.

In 2Q2019, the Group signed a sale and purchase agreement ("SPA") to dispose certain property, plant and equipment in the aluminium segment. The property, plant and equipment to be disposed comprised leasehold land and building, and plant and machinery amounting to S\$2.5 million and S\$1.0 million respectively. This sale was subject to regulatory approval by the Johor State Authority. As the sale was expected to be completed within the next 12 months from the date of signing of the SPA, these property, plant and equipment with net book value of S\$3.5 million were reclassified to "non-current assets held for sale" under 'current assets' since 2Q2019. 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 upon reclassification and an impairment loss of S\$1.5 million was recognised during 2Q2019. Subsequent to 3Q2019, the Group obtained regulatory approval on the sale of these property, plant and equipment and the sale is expected to be completed by 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.

As the collection and aging of trade and other receivables improved during 9M2019 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, 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 9M2019 mainly comprised: (i) utilities of S\$5.0 million; (ii) transportation of S\$9.4 million; (iii) packaging of S\$4.3 million; (iv) selling and distribution expenses of S\$0.9 million; (v) spare parts and maintenance of S\$1.3 million; and (vi) professional and audit fees of S\$1.5 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. 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 2019.

Tax expense in 3Q2019 and 9M2019 mainly pertained to provision for 12% withholding tax on unremitted profits from overseas subsidiaries. Provision for withholding tax on FY2018 profits (including 3Q2018 and 9M2018 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, i.e. since the date of incorporation of this subsidiary (and therefore no provision was made previously). This resulted in a significant amount of tax expense of S\$4.5 million recorded in 3Q2018.

**Consolidated Statement of Financial Position**

Property, plant and equipment increased by S\$25.6 million from S\$160.8 million as at 31 December 2018 to S\$186.4 million as at 30 September 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\$35.7 million, offset by (i) depreciation of S\$4.5 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\$2.6 million during the year was mainly due to amortisation and currency translation loss of S\$2.2 million and S\$0.4 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 a grinding station in Tajikistan. These amounts have been reclassified to current as construction of the grinding station in Tajikistan was completed during 2Q2019 and the construction of the cement plant in Kazakhstan will be completed in 4Q2019.

Increase in inventories of S\$0.9 million was due to additional raw materials purchased during the third quarter of the current year in anticipation of sales in the cement plant in Tajikistan for the next six months.

Current trade and other receivables as at 30 September 2019 mainly comprised: (i) trade receivables of S\$19.5 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\$26.1 million. The increase in current trade and other receivables balance is due to: (i) reclassification of long-term trade and other receivables of S\$23.6 million to current as construction of the cement plant in Kazakhstan is expected to be completed by the end of 2019; and (ii) increase in trade and accrued receivables of S\$15.2 million. The increase in trade and accrued receivables is mainly contributed by the cement segment where there are more sales to domestic customers with credit terms in 9M2019 (approximately 50%) as compared to FY2018 (approximately 30% - remaining 70% customers are on cash terms). Credit terms granted to the Group's customers range between 30 to 90 days and there has been no significant change in credit terms granted to customers as compared to prior year.

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 2Q2019. 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\$1.9 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\$3.8 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 interest-free loans from the major shareholder, Victory Gate Ventures Limited, of S\$13.6 million for the payment to the EPC contractor for the construction of the cement plant in Kazakhstan.

**Unaudited Financial Statements And Dividend Announcement For The Third Quarter Ended 30 September 2019**

**Consolidated Statement of Cash Flows**

The decrease in cash and cash equivalents of the Group from 31 December 2018 as compared to 30 September 2019 was mainly due to acquisition of property, plant and equipment of S\$29.0 million, repayment of trust receipts of S\$2.0 million, dividends paid to non-controlling interests of S\$2.2 million and withholding tax paid on dividends declared by a subsidiary of S\$4.2 million, offset by 9M2019 profits (operating cash inflow of S\$13.2 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 3Q2019 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 order book as at 30 September 2019, including variation orders, amounted to approximately S\$25.5 million (31 March 2019: S\$29.6 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 a grinding station with an annual production capacity of 0.6 million metric tonnes 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.

Construction of the key infrastructure of the cement plant in Kazakhstan was completed in early November 2019 and this cement plant is expected to be operational in December 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 September 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 September 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  
12 November 2019