



COMPACT METAL INDUSTRIES LTD

Company Registration Number 19750009H

Full Year Unaudited Financial Statement And Dividend Announcement

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR AND FULL YEAR RESULTS

1(a) **An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group		%
	S\$' 000		
	31-Dec-06	31-Dec-05	Increase/ (Decrease)
Continuing operations			
Revenue	66,812	77,692	(14)
Changes in inventories of work-in-progress and finished goods	(1,740)	(707)	146
Raw materials and consumables used	(36,824)	(48,672)	(24)
Staff and related costs	(17,552)	(21,993)	(20)
Depreciation of property, plant and equipment	(2,934)	(4,139)	(29)
Impairment loss on property, plant & equipment	(622)	(2,311)	N.M.
Amortisation of long term receivables	80	-	N.M.
Other operating expenses	(17,374)	(18,944)	(8)
Other income	644	1,334	(52)
Finance costs	(5,168)	(4,739)	9
Loss before taxation	(14,678)	(22,479)	(35)
Taxation	542	(139)	(490)
Net loss from continuing operations	(14,136)	(22,618)	(38)
Discontinuing operations			
Loss from discontinuing operation	(205)	(2,570)	(92)
Net loss for the year	(14,341)	(25,188)	(43)
Attributable to:			
Shareholders of the Company	(14,379)	(24,093)	(40)
Minority interests	38	(1,095)	(103)
Net loss for the year	(14,341)	(25,188)	(43)
Loss per share (cents)			
- basic	(6.50) cents	(10.89) cents	
- diluted	(6.50) cents	(10.89) cents	

1(a)(i) **Loss before taxation is stated after charging/(crediting) the following:-**

	Group	
	S\$' 000	
	31-Dec-06	31-Dec-05
Allowance for doubtful trade receivables	343	281
Allowance for doubtful accrued receivables	1,790	0
Inventories	-	69
Impairment loss on property, plant & equipment	507	4,711
Impairment in value of investment in other financial assets	(12)	46
Bad debts written off (trade)	135	0
Bad debts recovered (trade)	(224)	0
Exchange loss / (gain)	1,959	(961)
Provision for warranty and liquidated damages	475	42
Interest on borrowings	5,660	5,224
Interest income	2	(12)
Gain on sale of property, plant and equipment	(746)	(205)
Gain on disposal of an associated company	(1,626)	0

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1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	S\$' 000	S\$' 000	S\$' 000	S\$' 000
	31-Dec-06	31-Dec-05	31-Dec-06	31-Dec-05
Non-current assets				
Property, plant and equipment	31,225	42,537	18,845	19,561
Investments in subsidiaries	-	-	5,601	6,587
Long term receivables	676	1,335	4,983	8,870
	<u>31,901</u>	<u>43,872</u>	<u>29,429</u>	<u>35,018</u>
Asset held for sale	6,441	-	-	-
Current assets				
Inventories	11,019	13,897	1,567	2,002
Trade and other receivables	22,142	31,862	9,797	110,656
Other financial assets	76	26	48	18
Cash and bank balances	464	727	89	376
	<u>33,701</u>	<u>46,512</u>	<u>11,501</u>	<u>113,052</u>
Total assets	<u>72,043</u>	<u>90,384</u>	<u>40,930</u>	<u>148,070</u>
Share capital and reserves				
Share capital	33,247	33,247	33,247	33,247
Capital reserve	404	404	-	-
Revaluation reserve	505	951	-	-
Currency translation reserve	(4,174)	(5,155)	-	-
Accumulated losses	(86,460)	(72,545)	(83,263)	(77,080)
	<u>(56,478)</u>	<u>(43,098)</u>	<u>(50,016)</u>	<u>(43,833)</u>
Minority interests	518	466	-	-
Total equity	<u>(55,960)</u>	<u>(42,632)</u>	<u>(50,016)</u>	<u>(43,833)</u>
Non-current liabilities				
Amounts owing to financial institutions	3,648	3,896	-	-
Obligations under finance lease	136	218	16	26
Long-term payables	-	243	-	-
Deferred tax liabilities	140	191	-	-
	<u>3,924</u>	<u>4,548</u>	<u>16</u>	<u>26</u>
Current liabilities				
Trade and other payables	32,356	35,051	20,207	121,222
Current portion of amounts owing to financial institutions	51,432	53,304	30,713	30,645
Transferable loan	40,000	40,000	40,000	40,000
Current portion of obligations under finance lease	77	113	10	10
Current tax payable	214	-	-	-
	<u>124,079</u>	<u>128,468</u>	<u>90,930</u>	<u>191,877</u>
Total liabilities	<u>128,003</u>	<u>133,016</u>	<u>90,946</u>	<u>191,903</u>
Total equity and liabilities	<u>72,043</u>	<u>90,384</u>	<u>40,930</u>	<u>148,070</u>

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

As at 31 December 2006		As at 31 Dec 2005	
S\$' 000		S\$' 000	
Secured	Unsecured	Secured	Unsecured
91,432	77	92,302	1,115

(b) Amount repayable after one year

As at 31 December 2006		As at 31 Dec 2005	
S\$' 000		S\$' 000	
Secured	Unsecured	Secured	Unsecured
3,648	136	3,896	218

(c) Details of collaterals

	S\$' 000	
	31-Dec-06	31-Dec-05
Property, plant and equipment	26,422	41,892
Assets held for sale	6,441	-
Other financial assets	76	26
Inventories	5,238	3,061
Trade and other receivables	14,652	24,705
Cash at bank and in hand	269	464
	<u>53,098</u>	<u>70,148</u>

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- 1 (c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	S\$' 000	
	31-Dec-06	31-Dec-05
Operating Activities		
Loss before taxation	(14,883)	(25,049)
Adjustments for:		
Depreciation of property, plant and equipment	2,944	4,341
Impairment charge on property, plant and equipment	507	4,711
Allowance for impairment in value of other financial assets	-	47
Interest expense	5,660	5,224
Interest income	-	(12)
Profit on disposal of property, plant and equipment	(746)	(205)
Profit on disposal of associated company	(1,626)	-
Operating loss before working capital changes	(8,144)	(10,943)
Changes in working capital:		
Inventories	3,174	2,105
Trade and other receivables	10,945	10,567
Trade and other payables	(2,527)	(503)
Cash generated from operations	3,448	1,226
Income taxes recovered	777	-
Income taxes paid	(102)	(621)
Interest received	-	12
Net cash flows from operating activities	4,123	617
Investing Activities		
Proceeds from sale of property, plant and equipment	2,536	260
Purchase of property, plant and equipment	(1,095)	(1,462)
Proceeds from sale of associated companies	1,626	-
Net cash flows from investing activities	3,067	(1,202)
Financing Activities		
Repayment of finance lease liabilities	(118)	(203)
Movement in bank loans	(380)	297
Interest paid	(5,202)	(3,638)
Dividend paid to minority shareholders	(12)	(12)
Net cash flows from financing activities	(5,712)	(3,556)
Net increase / (decrease) in cash and cash equivalents	1,478	(4,141)
Cash and cash equivalents at 1 January 2006	(13,306)	(9,165)
Cash and cash equivalents at 31 December 2006	(11,828)	(13,306)
Cash flows from discontinuing operation		
Net cash flow from operating activities	608	567
Net cash flow from investing activities	-	(95)
Net cash flow from financing activities	(638)	(979)
Net cash flow from discontinuing operation	(30)	(507)

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

Group	Share capital S\$'000	Share Premium S\$'000	Capital reserve S\$'000	Revaluation reserve S\$'000	Currency translation reserve S\$'000	(Accumulated losses) S\$'000	Minority Interest S\$'000	Total S\$'000
As at 1 January 2006	22,122	11,125	404	951	(5,155)	(72,545)	466	(42,632)
Transfer to Share Capital (*)	11,125	(11,125)	-	-	-	-	-	-
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	21	978	-	26	1,025
Realisation of revaluation reserve relating to property plant and equipment disposed	-	-	-	(467)	3	464	-	-
Net loss for the year	-	-	-	-	-	(14,379)	38	(14,341)
Total recognised income and expenses for the year	-	-	-	(446)	981	(13,915)	64	(13,316)
Dividend	-	-	-	-	-	-	(12)	(12)
At 31 December 2006	33,247	-	404	505	(4,174)	(86,460)	518	(55,960)
At 1 January 2005	22,122	11,125	404	951	(4,670)	(48,403)	1,609	(16,862)
Effects of adopting FRS39	-	-	-	-	-	(49)	-	(49)
At 1 January 2005, restated	22,122	11,125	404	951	(4,670)	(48,452)	1,609	(16,911)
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	-	(485)	-	(36)	(521)
Net loss for the year	-	-	-	-	-	(24,093)	(1,095)	(25,188)
Total recognised expenses for the year	-	-	-	-	(485)	(24,093)	(1,131)	(25,709)
Dividend paid	-	-	-	-	-	-	(12)	(12)
At 31 December 2005	22,122	11,125	404	951	(5,155)	(72,545)	466	(42,632)
Company						(Accumulat- ed losses) S\$'000		Total S\$'000
At 1 January 2006	22,122	11,125				(77,080)		(43,833)
Transfer to Share Capital (*)	11,125	(11,125)				-		-
Net loss for the year, representing total recognised expenses for the year	-	-				(6,183)		(6,183)
At 31 December 2006	33,247	-				(83,263)		(50,016)
At 1 January 2005	22,122	11,125				(40,757)		(7,510)
Net loss for the year, representing total recognised expenses for the year	-	-				(36,323)		(36,323)
At 31 December 2005	22,122	11,125				(77,080)		(43,833)

Note:

* In accordance with the amendments to the Companies Act that came into effect on 30 January 2006, the amount standing to the credit of the Company's share premium account becomes part of the Company's share capital

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- 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.**

Movements in the Company's issued and fully paid-up share capital during the financial year were as follows:

	S\$'000
As at 1 January 2006	22,122
Transfer of share premium due to the abolishment of the par value concept with effect from 30 January 2006	11,125
As at 31 December 2006	<u>33,247</u>

- 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 for the adoption of the new/revised Financial Reporting Standards (FRSs) that became effective for the financial year beginning on 1 January 2006, the Group and the Company have adopted the same accounting policies and method of computation in the financial statements for the current reporting year compared with the audited financial statements for the year ended 31 December 2005.

- 5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted the new/revised Singapore Financial reporting Standards (FRSs) that are mandatory for financial year beginning on and after 1 January 2006. The adoption of the new/revised FRSs did not have material financial impact on the Group's results.

- 6 Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

Group	
31-Dec-06	31-Dec-05

Earnings per ordinary share of the Group for the year based on net loss attributable to shareholders:-

Based on weighted average 221,223,260 ordinary shares (2004 :221,223,260 ordinary shares)

(6.50) cents	(10.89) cents
(6.50) cents	(10.89) cents

On a fully diluted basis

- 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-06	31-Dec-05	31-Dec-06	31-Dec-05

Net Asset Value per ordinary share based on issued share capital of 221,223,260 (2005: 221,223,260)

(25.53) cents	(19.48) cents	(22.61) cents	(19.81)cents
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- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial year reported on.**

The Group's turnover for the year declined by 13.9% to S\$67.9 million compared to S\$78.9 million for FY2005. This was due to lower revenue from facade engineering business as the Group is focusing on core competency in window and door fabrication and manufacturing and marketing of aluminium extrusion.

The Group has significantly reduce its loss before taxation from S\$25.0 million in FY2005 to S\$14.9 million in FY2006. This was mainly attributable to lower losses incurred in the facade engineering business of S\$8.5 million and a gain of S\$1.6 million from the sale of its entire shareholding in an associate company in 2006.

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

Not applicable

- 10 A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

The Company announced on 14 February 2007 the completion under the Restated and Supplemental Restructuring Agreement and the Debt Purchase and Conversion Agreement.

The directors are of the view that with the improved financial health and lower financial costs, the Company will be able to operate more efficiently. Barring unforeseen circumstances the directors believe that 2007 result will improve significantly.

- 11 Dividend**

(a) Current Financial Period Reported on

Any dividend declared for the current financial year reported on? None

Name of Dividend
Dividend Type
Dividend Rate
Par value of shares
Tax Rate

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding year of the immediately preceding financial year? None

Name of Dividend
Dividend Type
Dividend Rate
Par value of shares
Tax Rate

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

- 12 If no dividend has been declared/recommendeded, a statement to that effect**

No dividend has been recommended for the financial year ended 31 December 2006

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PART II - ADDITIONAL INFORMATION REQUIRED FOR THE FULL YEAR ANNOUNCEMENT
 (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13 Segmented revenue and results for the business or geographical segments (of the group) in the form presented in the issuer's most recently audited financial statements, which comparative information for the immediately preceding year
13(a) Business segments

	Manufacturing and projects	Trading of aluminium and related products	Others	Elimination	Total continuing operation	Discontinuing operation	Consolidated
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2006							
Revenue and Expenses							
Total revenue from external customers	56,167	10,645	-	-	66,812	1,123	67,935
Inter-segment revenue	41,121	1,214	-	(42,335)	-	-	-
	<u>97,288</u>	<u>11,859</u>	<u>-</u>	<u>(42,335)</u>	<u>66,812</u>	<u>1,123</u>	<u>67,935</u>
Segment results	<u>(11,251)</u>	<u>280</u>	<u>1,462</u>	<u>-</u>	<u>(9,509)</u>	<u>286</u>	<u>(9,223)</u>
Finance costs	(4,721)	(448)	-	-	(5,169)	(491)	(5,660)
Taxation							542
Loss from ordinary activities after taxation but before minority interests							<u>(14,341)</u>
Assets and Liabilities							
Segment assets	60,320	4,682	355	-	65,357	6,686	72,043
Interest in an associated Company	-	-	-	-	-	-	-
Total assets	<u>60,320</u>	<u>4,682</u>	<u>355</u>	<u>-</u>	<u>65,357</u>	<u>6,686</u>	<u>72,043</u>
Segment liabilities	112,225	6,627	-	-	118,852	8,797	127,649
Unallocated liabilities							354
Total liabilities							<u>128,003</u>
Other Information							
Capital expenditure	<u>1,066</u>	<u>(2)</u>	<u>-</u>	<u>-</u>	<u>1,064</u>	<u>31</u>	<u>1,095</u>
Depreciation of property, plant & equipment	<u>2,869</u>	<u>65</u>	<u>-</u>	<u>-</u>	<u>2,934</u>	<u>10</u>	<u>2,944</u>
(Reversal of) / impairment loss of property, plant & equipment	<u>622</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>622</u>	<u>(115)</u>	<u>507</u>

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	Manufac- turing and projects	Trading of aluminium and related products	Others	Elimination	Total continuing operation	Disconti- nuing operation	Consolidated
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2005							
Revenue and Expenses							
Total revenue from external customers	66,941	10,751	-	-	77,692	1,170	78,862
Inter-segment revenue	51,834	2,402	-	(54,236)	-	-	-
	<u>118,775</u>	<u>13,153</u>	<u>-</u>	<u>(54,236)</u>	<u>77,692</u>	<u>1,170</u>	<u>78,862</u>
Segment results	(18,162)	425	(2)	-	(17,739)	(2,085)	(19,824)
Finance costs							(5,224)
Taxation							(140)
Loss from ordinary activities after taxation but before minority interests							<u>(25,188)</u>
Assets and Liabilities							
Segment assets	76,590	4,827	(156)	-	81,261	9,123	90,384
Interest in an associated Company	-	-	-	-	-	-	-
Total assets	<u>76,590</u>	<u>4,827</u>	<u>(156)</u>	<u>-</u>	<u>81,261</u>	<u>9,123</u>	<u>90,384</u>
Segment liabilities	117,749	6,354	-	-	124,103	8,722	132,825
Unallocated liabilities							191
Total liabilities							<u>133,016</u>
Other Information							
Capital expenditure	1,078	492	-	-	1,570	95	1,665
Depreciation of property, plant & equipment	3,974	166	-	-	4,140	201	4,341
Impairment loss of property, plant & equipment	2,311	-	-	-	2,311	2,400	4,711

13(b) Geographical Segments

	Within Singapore	Outside Singapore	Disconti- nuing operation	Consolidated
	S\$'000	S\$'000	S\$'000	S\$'000
2006				
Total revenue from external customers				
- by location of operation	41,917	24,895	1,123	67,935
- by location of customers	33,220	33,592	1,123	67,935
Segment assets	<u>37,762</u>	<u>27,595</u>	<u>6,686</u>	<u>72,043</u>
Capital expenditure	<u>48</u>	<u>1,016</u>	<u>31</u>	<u>1,095</u>
2005				
Total revenue from external customers				
- by location of operation	56,663	21,029	1,170	78,862
- by location of customers	46,265	31,427	1,170	78,862
Segment assets	<u>46,302</u>	<u>34,959</u>	<u>9,123</u>	<u>90,384</u>
Capital expenditure	<u>639</u>	<u>931</u>	<u>95</u>	<u>1,665</u>

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Not applicable

15 A breakdown of sales

Item 15 is not applicable to interim results

15 (a) Sales reported for first half year

15(b) Operating loss after tax before deducting minority interests reported for first half year

15(c) Sales reported for second half year

15(d) Operating loss after tax before deducting minority interests reported for second half year

Group		
S\$' 000		%
FY 2006	FY 2005	Change
35,068	41,334	(15)
(3,891)	(8,721)	(55)
32,867	37,528	(12)
(10,488)	(15,372)	(32)

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

NIL

Total annual Dividend

Ordinary
Preference
Total

Latest Full Year 2006	Previous Full Year 2005
-	-
-	-
-	-

BY ORDER OF THE BOARD

Tan Chin Eng
Managing Director
27-Feb-2007