



# **CHINESE GLOBAL INVESTORS GROUP LTD.**

(Incorporated in Singapore)  
(Company Registration Number: 196600189D)

## **Unaudited Financial Statements and Dividend Announcement for the First Quarter and Three Months Ended 30 September 2018**

12 November 2018

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"), for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this announcement.*

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*The contact person for the Sponsor is Mr. Joseph Au, Associate Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: [sponsorship@ppcf.com.sg](mailto:sponsorship@ppcf.com.sg)).*

**CHINESE GLOBAL INVESTORS GROUP LTD.**

(Incorporated in the Republic of Singapore)

(Company Registration No. 196600189D)

**First Quarter Financial Statements for the Financial Period Ended 30 September 2018**

**PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (Q1, Q2, Q3), HALF-YEAR AND FULL YEAR RESULTS**

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

	Note	Group		+ / -
		First Quarter Ended		
		30-Sep-18 (Unaudited)	30-Sep-17 (Unaudited)	
		S\$	S\$	%
<b>Continuing Operations</b>				
<b>Revenue</b>		<b>2,510,045</b>	<b>2,385,822</b>	<b>5.2</b>
Cost of Sales		(2,050,851)	(1,930,698)	6.2
<b>Gross Profit</b>		<b>459,194</b>	<b>455,124</b>	<b>0.9</b>
Other Income	i	43,815	50,946	(14.0)
Distribution Expenses		(188,980)	(223,573)	(15.5)
Administrative Expenses		(703,904)	(770,724)	(8.7)
Other Expenses	ii	(8,256)	(9,606)	(14.1)
Finance Costs		(87,582)	(54,943)	59.4
<b>Loss before Income Tax</b>	iii	<b>(485,713)</b>	<b>(552,776)</b>	<b>(12.1)</b>
Income Tax Expense		-	(6,614)	(100.0)
<b>Loss for the Period from continuing operations</b>		<b>(485,713)</b>	<b>(559,390)</b>	<b>(13.2)</b>
<b>Discontinued Operations</b>				
<b>Loss for the Period from discontinued operations</b>		-	-	
<b>Loss for the Period</b>		<b>(485,713)</b>	<b>(559,390)</b>	<b>(13.2)</b>
<b>Other Comprehensive Income/(Loss):</b>				
Currency translation differences arising from consolidation		9,948	31,191	nm
Other comprehensive income/(loss) for the period, net of tax		9,948	31,191	nm
<b>Total Comprehensive Loss for the Period</b>		<b>(475,765)</b>	<b>(528,199)</b>	<b>(9.9)</b>
<b>Loss for the Period Attributable to Owners of the Company</b>		<b>(485,713)</b>	<b>(559,390)</b>	<b>(13.2)</b>
<b>Total Comprehensive Loss Attributable to Owners of the Company</b>		<b>(475,765)</b>	<b>(528,199)</b>	<b>(9.9)</b>

nm – Not Meaningful

(i) Other income includes the following:

	<b><u>Group</u></b>	
	<b><u>First Quarter Ended</u></b>	
	<b>30-Sep-18</b>	<b>30-Sep-17</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>S\$</b>	<b>S\$</b>
Foreign exchange transaction gain	20,874	2,605
Government grants/subsidies	3,199	3,011
Interest income	4,260	168
Sundry income	15,482	45,162
	<b><u>43,815</u></b>	<b><u>50,946</u></b>

(ii) Other expenses include the following:

	<b><u>Group</u></b>	
	<b><u>First Quarter Ended</u></b>	
	<b>30-Sep-18</b>	<b>30-Sep-17</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>S\$</b>	<b>S\$</b>
Allowances for doubtful debts	6,191	9,606
Bad debts written off	2,432	-
Foreign exchange translation loss	(367)	-
	<b><u>8,256</u></b>	<b><u>9,606</u></b>

(iii) Loss before income tax is arrived at after charging the following:

	<b><u>Group</u></b>	
	<b><u>First Quarter Ended</u></b>	
	<b>30-Sep-18</b>	<b>30-Sep-17</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>S\$</b>	<b>S\$</b>
Amortisation of intangible assets	1,834	1,343
Depreciation of property, plant and equipment	30,752	30,484

**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.**

	<u>Group</u>		<u>Company</u>	
	<u>30-Sep-18</u> <u>Unaudited</u> <u>S\$</u>	<u>30-Jun-18</u> <u>Audited</u> <u>S\$</u>	<u>30-Sep-18</u> <u>Unaudited</u> <u>S\$</u>	<u>30-Jun-18</u> <u>Audited</u> <u>S\$</u>
<b><u>ASSETS</u></b>				
<b><u>Non-current assets:</u></b>				
Property, plant and equipment	363,443	387,943	8,793	-
Intangible assets	6,025	6,104	1,264	-
Subsidiaries	-	-	963,340	963,340
<b>Total non-current assets</b>	<b>369,468</b>	<b>394,047</b>	<b>973,397</b>	<b>963,340</b>
<b><u>Current assets:</u></b>				
Inventories	1,112,761	1,066,743	-	-
Gross amount due from contract customers	256,535	161,625	-	-
Trade and other receivables	4,207,093	3,950,546	38,756	20,958
Amount due from a related party	-	-	238,652	235,718
Income tax recoverable	-	18,895	-	-
Available-for-sale investments	14,527	14,870	-	-
Cash and bank balances	1,599,321	1,820,084	6,057	1,453
<b>Total current assets</b>	<b>7,190,237</b>	<b>7,032,763</b>	<b>283,465</b>	<b>258,129</b>
<b>Total assets</b>	<b>7,559,705</b>	<b>7,426,810</b>	<b>1,256,862</b>	<b>1,221,469</b>
<b><u>LIABILITIES AND EQUITY</u></b>				
<b><u>Current liabilities:</u></b>				
Trade and other payables	6,329,761	5,904,794	571,230	591,409
Gross amount due to contract customers	276,331	355,979	-	-
Lease obligations	28,100	29,669	-	-
Bank overdrafts	240,236	228,376	-	-
Short term borrowings	381,300	393,430	-	-
Income tax payable	2,975	-	-	-
<b>Total current liabilities</b>	<b>7,258,703</b>	<b>6,912,248</b>	<b>571,230</b>	<b>591,409</b>
<b><u>Non-current liabilities:</u></b>				
Lease obligations	76,816	80,805	-	-
Deferred tax liabilities	660	676	-	-
Long term borrowings	3,449,102	3,182,892	-	-
<b>Total non-current liabilities</b>	<b>3,526,578</b>	<b>3,264,373</b>	<b>-</b>	<b>-</b>
<b><u>Capital and reserves:</u></b>				
Share capital	40,310,404	40,310,404	40,310,404	40,310,404
Statutory reserve	3,863	3,863	-	-
Fair value reserves	342,547	342,547	-	-
Foreign currency translation reserves	(741,341)	(751,289)	-	-
Reserve on put option	15,706	15,706	-	-
Accumulated losses	(43,156,755)	(42,671,042)	(39,624,772)	(39,680,344)
<b>Total equity</b>	<b>(3,225,576)</b>	<b>(2,749,811)</b>	<b>685,632</b>	<b>630,060</b>
<b>Total liabilities and equity</b>	<b>7,559,705</b>	<b>7,426,810</b>	<b>1,256,862</b>	<b>1,221,469</b>
<b>Working capital</b>	<b>(68,466)</b>	<b>120,515</b>		
<b>Total borrowings</b>	<b>4,175,554</b>	<b>3,915,172</b>		

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

### Amount repayable in one year or less, or on demand

As at 30 September 2018 (Unaudited) S\$		As at 30 June 2018 (Audited) S\$	
Secured	Unsecured	Secured	Unsecured
268,335	381,300	258,045	393,430

### Amount repayable after one year

As at 30 September 2018 (Unaudited) S\$		As at 30 June 2018 (Audited) S\$	
Secured	Unsecured	Secured	Unsecured
76,816	3,449,102	80,805	3,182,892

### Details of any collaterals

The Group's secured borrowings comprised bank overdrafts and finance leases.

The bank overdrafts of S\$240,236 (30 June 2018: S\$228,376) were secured on fixed deposits pledged.

Finance leases of S\$104,916 (30 June 2018: S\$110,474) were secured on the property, plant and equipment. The net book value of these property, plant and equipment as at 30 September 2018 is S\$140,447 (30 June 2018: S\$149,446).

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

	<b>Group</b>	
	<b>First Quarter Ended</b>	
	<b>30-Sep-18</b>	<b>30-Sep-17</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>S\$</b>	<b>S\$</b>
<b>Cash flows from operating activities:</b>		
Loss before income tax - continuing operations	(485,714)	(552,776)
Adjustments for:		
Amortisation of intangible assets	1,834	1,343
Allowances for doubtful debts	-	9,606
Bad debts written off	2,432	-
Depreciation of property, plant and equipment	30,752	30,484
Interest expense	83,524	54,943
Interest income	(4,260)	(168)
Provision/(Reversal) for warranties	-	15,000
Foreign exchange (gain)/loss	441	(6,148)
<b>Operating loss before working capital changes</b>	<b>(370,991)</b>	<b>(447,716)</b>
Trade and other receivables	(252,889)	(149,289)
Gross amount due to contract customers	(173,425)	53,945
Inventories	(29,343)	157,923
Trade and other payables	414,250	(74,527)
<b>Cash used in operations</b>	<b>(412,398)</b>	<b>(459,664)</b>
Interest paid	(83,524)	(10,283)
Income taxes refund	21,414	3,215
<b>Net cash used in operating activities</b>	<b>(474,508)</b>	<b>(466,732)</b>
<b>Cash flows from investing activities:</b>		
Interest received	4,260	168
Purchase of property, plant and equipment	(12,237)	(5,480)
<b>Net cash used in investing activities</b>	<b>(7,977)</b>	<b>(5,312)</b>
<b>Cash flows from financing activities:</b>		
Repayments of lease obligations	(5,559)	(29,065)
Repayments of long-term borrowing	(773,921)	(160,811)
Proceeds from long-term borrowing	1,025,489	674,732
Increase in restricted cash	37,425	-
<b>Net cash generated from financing activities</b>	<b>283,434</b>	<b>484,856</b>
Net (decrease)/ increase in cash and cash equivalents	(199,051)	12,812
Cash and cash equivalents at beginning of period	211,958	576,757
<b>Net effects of exchange rate changes in cash and cash equivalents</b>	<b>3,854</b>	<b>(720)</b>
<b>Cash and cash equivalents at end of period</b>	<b>16,761</b>	<b>588,849</b>

**1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year – cont'd**

	<u>Group</u>	
	<u>First Quarter Ended</u>	
	<b>30-Sep-18</b>	<b>30-Sep-17</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>S\$</b>	<b>S\$</b>
Cash at end of period includes the following:		
Cash and bank balances	1,599,321	1,528,162
Bank overdrafts	(240,236)	(210,873)
	<u>1,359,086</u>	<u>1,317,289</u>
Restricted cash (Note 1)	(1,342,325)	(728,440)
<b>Cash and cash equivalents at end of period</b>	<b><u>16,761</u></b>	<b><u>588,849</u></b>

**Notes:**

(1) Restricted cash

Restricted cash pertains to fixed deposits of certain subsidiaries which have been pledged with banks as securities for banking facilities granted.

**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 capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Group	Share Capital	Statutory Reserve	Share Option Reserve	Foreign Currency Translation Reserve	Fair Value Reserve on AFS	Accumulated Losses	Total Equity
<b>Balance at 1 July 2017 (Audited)</b>	S\$ 40,310,404	S\$ 346,410	S\$ -	S\$ (898,780)	S\$ 15,706	S\$ (39,231,769)	S\$ 541,971
Loss for the year	-	-	-	-	-	(559,390)	(559,390)
-Currency translation differences arising from consolidation	-	-	-	31,191	-	-	31,191
Total comprehensive loss for the year	-	-	-	31,191	-	(559,390)	(528,199)
<b>Balance at 30 September 2017 (Unaudited)</b>	40,310,404	346,410	-	(867,589)	15,706	(39,791,159)	13,772
<b>Balance at 1 July 2018 (Audited)</b>	40,310,404	346,410	15,706	(751,289)	-	(42,671,042)	(2,749,811)
Loss for the year	-	-	-	-	-	(485,713)	(485,713)
- Currency translation differences arising from consolidation	-	-	-	9,948	-	-	9,948
Total Comprehensive loss for the year	-	-	-	9,948	-	(485,713)	(475,765)
<b>Balance at 30 September 2018 (Unaudited)</b>	40,310,404	346,410	15,706	(741,341)	-	(43,156,755)	(3,225,576)

COMPANY	Share Capital	Accumulated Losses	Total
<b>Balance at 1 July 2017 (Audited)</b>	S\$ 40,310,404	S\$ (39,883,850)	S\$ 426,554
Total comprehensive loss for the period	-	(171,573)	(171,573)
<b>Balance at 30 September 2017 (Unaudited)</b>	40,310,404	(40,055,423)	254,981
<b>Balance at 1 July 2018 (Audited)</b>	40,310,404	(39,680,344)	630,060
Total comprehensive loss for the period	-	65,923	65,923
<b>Balance at 30 September 2018 (Unaudited)</b>	40,310,404	(39,614,421)	695,983

**1(d)(ii) Any changes in the company's share capital arising from rights issue, bonus issue, 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 or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number or treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.**



	<u>Number of Shares</u>	<u>Share Capital (\$)</u>
As at 30 June 2018	915,977,500	40,310,404
As at 30 September 2018	915,977,500	40,310,404

The Group did not grant any options or shares pursuant to its share plan and option scheme and did not have any treasury shares, convertibles or subsidiary holdings as at 30 September 2018 and 30 September 2017. Accordingly, the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding is nil% as at 30 September 2018 and 30 September 2017.

**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.**

	<b>30 September 2018</b>	<b>30 June 2018</b>
The total number of issued shares excluding treasury shares	915,977,500	915,977,500

**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. The Group did not have any treasury shares during and as at the end of the current financial period reported on.

**1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable. The Group did not have any subsidiary holdings during and as at the end of the current financial period reported on.

**2. Whether the figures have been audited, or reviewed and in accordance with which standard or practice.**

The figures have not been audited nor reviewed by the Company's auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of 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 financial statements for the current financial period, compared with those of the most recently audited financial statements for the financial year ended 30 June 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 adopted a number of new Financial Reporting Standards, amendments to standards and interpretations that are effective for annual periods beginning on and after 1 July 2018. The adoption of these new standards, amendments to standards and interpretations did not result in any significant impact on the financial statements of the Company and the Group for the current financial period reported on.

**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	
	First Quarter Ended	
	30-Sep-18 (Unaudited)	30-Sep-17 (Unaudited)
(i) Basic and fully diluted earnings per share ("EPS") (Singapore cents)	(0.05)	(0.06)
(iii) Weighted average number of ordinary shares issued used in the computation of basic and diluted EPS	915,977,500	915,977,500

Basic and diluted earnings per share are the same as there were no potentially dilutive ordinary shares existing during the respective financial periods.

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year.**

	Group		Company	
	30-Sep-18 (Unaudited)	30-Jun-18 (Audited)	30-Sep-18 (Unaudited)	30-Jun-18 (Audited)
Net asset value per ordinary share (Singapore cents)	(0.35)	(0.30)	0.07	0.07
Total number of issued ordinary shares used in calculating net asset value	915,977,500	915,977,500	915,977,500	915,977,500

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
- (a) 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; and
  - (b) any material factors that affect the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

### **Review of Consolidated Statement of Comprehensive Income**

#### **Revenue**

	1Q2019	1Q2018	+ / (-)
	<b>S\$'000</b>	<b>S\$'000</b>	
Waterproofing business	2,510	2,386	5.2%

	1Q2019	1Q2018	+ / (-)
	<b>S\$'000</b>	<b>S\$'000</b>	
Singapore	2,164	2,033	6.4%
Malaysia	187	334	(44%)
China	159	19	736.8%
<b>Total</b>	<b>2,510</b>	<b>2,386</b>	<b>5.2%</b>

The Group's revenue increased by approximately 5.2% quarter-on-quarter ("qoq") to S\$2.51 million in 1Q2019 mainly attributable to the increase in revenue from our waterproofing business. Revenue in Singapore increase 6.4% or S\$0.13 million mainly due to large number of works completed in 1Q2019. Revenue in Malaysia decreased 44% or S\$0.15 million due to subdued economic conditions leading to lower demand for our products and services whilst revenue in China increased significantly mainly due to securing and delivering more completed contracts in 1Q2019.

#### **Gross Profit**

	1Q2019	1Q2018	Change
Gross profit (S\$'million)	0.46	0.46	0.9%
Gross margin	18.3%	19.1%	

Gross profit in 1Q2019 increase 0.9% from S\$0.45million in 1Q2018 to S\$0.46 million in 1Q2019 in tandem with the increase in waterproofing business income. However, gross profit margin declined from 19.1% in 1Q2018 to 18.3% in 1Q2019 mainly due to a shift in revenue mix in the waterproofing segment resulting in a reduction in the selling prices for our services and products to remain competitive and secure more contracts.

#### **Other income**

Other income decreased by S\$7,131 from S\$50,946 in 1Q2018 to S\$43,815 in 1Q2019, mainly due to the increase in sundry income of S\$29,680 offset by an increase in foreign exchange transaction gain of S\$18,269 in 1Q2019.

### **Distribution Expenses**

	1Q2019	1Q2018	Change
Distribution expenses (S\$'million)	0.19	0.22	(15.5)%
As a percentage of net sales	7.5%	9.4%	

Distribution expenses declined 15.5% to S\$0.19 million in 1Q2019 primarily due to the reversal of overprovision for 3<sup>rd</sup> party commission recorded in prior year.

### **Administrative Expenses**

	1Q2019	1Q2018	Change
Administrative expenses (S\$'million)	0.70	0.77	(8.7)%
As a percentage of net sales	27.9%	32.3%	

Administrative expenses declined by 8.7% to S\$0.70 million in 1Q2019 from S\$0.77 million in 1Q2018, mainly due to lower staff salaries, technical and sales support and overseas travel expenses, offset by higher lab test fee.

### **Other Expenses**

Other expenses fell by 14.1% to S\$8,256 in 1Q2019 mainly due to the increase in allowance for doubtful debts and increase in bad debts written off.

### **Finance Cost**

Finance cost increased by 59.4% to S\$0.09 million in 1Q2019. This was due to interest on the unsecured interest bearing loans from unrelated third party lenders, along with interest expenses on loans extended by the banks in 1Q2019.

### **Net Loss**

Based on the above, the Group recorded a net loss of S\$0.49 million in 1Q2019 as compared to a net loss of S\$0.56 million in 1Q2018.

## **Review of Consolidated Statement of Financial Position**

### **Non-current assets**

As at 30 September 2018, Non current assets stood at S\$0.37 million or approximately 4.9% of total assets, a decrease of S\$0.02 million as compared to S\$0.39 million at 30 June 2018.

Decrease in property, plant and equipment by S\$0.03 million to S\$0.36 million as at 30 September 2018 mainly due to the depreciation charged for the financial period and offset by additional purchase of plant and equipment.

Decrease in intangible assets by S\$6,104 to S\$6,025 as at 30 September 2018 was mainly due to amortization of intangible assets offset by additional purchase of computer software during the financial period.

### **Current assets**

As at 30 September 2018, current assets stood at S\$7.18 million and approximately 95.1% of total assets, a decrease of approximately S\$0.15 million as compared to S\$7.03 million as at 30 June 2018.

Trade and other receivables increased by S\$0.26 million from S\$3.95 million as at 30 June 2018 to S\$4.21 million as at 30 September 2018, due mainly to the increase in retention sums contribution for waterproofing projects completed in Singapore.

Inventories increase by S\$0.04 million from S\$1.07 million as at 30 June 2018 to S\$1.11 million as at 30 September 2018 as a result for higher material cost vis-à-vis the financial year as at 30 June 2018.

Gross amount due from contract customers increased S\$0.1 million from S\$0.16 million as at 30 June 2018 to S\$0.26 million as at 30 September 2018 due mainly to higher claims certification works from our waterproofing subsidiaries, off set by completed project had been realised in profit and losses account.

### **Non-current Liabilities**

As at 30 September 2018, non-current liabilities amounted to S\$3.53 million or approximately 32.7% of total liabilities, an increase of S\$0.26 million compared to 30 June 2018.

Long term borrowings increased by S\$0.27 million to S\$3.45 million as at 30 September 2018, mainly due to an increase in unsecured loan undertaken by a Hong Kong subsidiary – CGI (HK) Limited, offset by decrease in finance lease S\$0.01 million.

### **Current Liabilities**

As at 30 September 2018, current liabilities amounted to S\$7.26 million or approximately 67.3% of total liabilities.

Trade and other payables increased by S\$0.43 million from S\$5.90 million as at 30 June 2018 to S\$6.33 million as at 30 September 2018, primarily due to net increase of accrued trade payable to subcontractor due to several completed projects from water proofing business.

Gross amount due to contract customers decreased by S\$0.08 million to S\$0.28 million as at 30 September 2018, due to completed projects realized in profit and losses account and offset by prepayment from customer for partial completed projects claims certification work from waterproofing business.

Bank overdraft increased by S\$0.01 million to S\$0.24 million as at 30 September 2018 due to further drawn down of the bank overdraft by our subsidiaries for working capital purpose.

### **Equity**

Shareholders' funds increased to a net deficit of S\$3.24 million as at 30 September 2018 from net deficit equity of S\$2.75 million as at 30 June 2018. The increase reflected further losses recognized during the current financial period as explained above.

### **Review of Consolidated Statement of Cash Flows**

	<b>1Q2019</b>	<b>1Q2018</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Net cash used in operating activities	(475)	(467)
Net cash used in investing activities	(8)	(5)
Net cash from financing activities	283	485
Net (decrease)/ increase in cash and cash equivalents	(200)	12
Cash and cash equivalents at end of period	17	589

#### **Net cash used in operating activities**

The net cashflow used in operating activities amounted to S\$0.48 million in 1Q2019, due mainly to operating losses for the financial period and increase on changes in working capital for trade and other receivables of S\$0.25 million and increase in gross amount due to contract customer S\$0.17 million, offset by the increase in trade and other payables S\$0.50 million.

#### **Net cash used in investing activities**

The net cash outflow from investing activities amounted S\$0.08 million for 1Q2019. Interest received during the year generated a cash inflow of S\$4,260, offset with the acquisition of plant and equipment which incurred a cash outflow of S\$12,237.

#### **Net cash generated from financing activities**

The net cash flow from financing activities amounted to an inflow of S\$0.28 million for 1Q2019. This is mainly due to the additional loan drawdown from external party S\$1.03 million, offset with the repayment of short term borrowing which amounted to a cash outflow S\$0.77 million.

Based on the above, the Group's net cash and cash equivalents decreased by S\$0.06 million to S\$0.02 million in 1Q2019 from S\$0.06 million in 1Q2018.

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

No forecast or prospect statement has been previously disclosed to shareholders.

**10. A commentary at the date of the announcement of the significant trends and 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 waterproofing market continues to be challenging and competitive in various geographical markets we operate in. The Group remains committed to effectively manage our operating costs and business risks to stay competitive whilst seeking potential revenue/profit accretive acquisitions when opportunities arise.

**11. Dividend**

**If a decision regarding dividend has been made:**

**(a) Whether an interim (final) ordinary dividend has been declared (recommended); and**

No dividend has been declared or recommended for 1Q2019.

**(b) (i) Amount per share (cents)  
(Optional) Rate (%)**

Not applicable.

**(b) (ii) Previous corresponding period (cents)  
(Optional) Rate (%)**

No dividend has been declared or recommended for 1Q2019.

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable.

**(d) The date the dividend is payable.**

Not applicable.

**(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

**12. If no dividend has been declared (recommended), a statement to that effect.**

No dividend has been declared / recommended for the financial period ended 30 September 2018.

**13. If the Group has obtained a general mandate from shareholders for interested person transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Company does not have a general mandate from shareholders for IPTs and no IPTs of S\$100,000 and above were carried out for the financial period ended 30 September 2018.

**14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)**

The Company confirms that it has procured undertakings from all of its directors and executive officers in the required format.

**15. Negative confirmation of interim financial results pursuant to Rule 705(5) of the SGX-ST Listing Manual Section B: Rules of Catalist.**

The Board of Directors of the Company confirms that to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements of the Company and the Group for the three months ended 30 September 2018 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

So Yuen Chun

Executive Director

12 November 2018