



CHINESE GLOBAL INVESTORS GROUP LTD.

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

Unaudited Financial Statements and Dividend Announcement for the Fourth Quarter and Financial Year Ended 30 June 2019

29 August 2019

“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”) in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) Listing Manual Section B: Rules of Catalyst.

This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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 Email: sponsorship@ppcf.com.sg).”

CHINESE GLOBAL INVESTORS GROUP LTD.

(Incorporated in the Republic of Singapore)

(Company Registration No. 196600189D)

Fourth Quarter and Full Year Financial Statements for the Financial Year Ended 30 June 2019**PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENT OF 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 Full Year Ended		+/-
		30-Jun-19 (Unaudited)	30-Jun-18 (Audited)	
		S\$	S\$	%
Revenue		11,659,439	8,707,226	33.9
Cost of Sales		(9,335,554)	(7,407,704)	26.0
Gross Profit		2,323,885	1,299,522	78.8
Other Income	i	713,249	247,578	188.1
Distribution Expenses		(943,029)	(908,618)	3.8
Administrative Expenses		(2,656,497)	(2,914,634)	(8.9)
Other Expenses	ii	(113,305)	(879,920)	(87.1)
Finance Cost		(400,192)	(280,205)	42.8
Loss before Income Tax	iii	(1,075,889)	(3,436,277)	(68.7)
Income Tax Expense		617	(2,996)	(120.6)
Loss for the Year		(1,075,272)	(3,439,273)	(68.7)
Other comprehensive loss:				
Currency translation difference arising from consolidation		(55,382)	147,492	(137.5)
Other comprehensive loss for the year, net of tax		(55,382)	147,492	(137.5)
Total comprehensive loss for the year		(1,130,654)	(3,291,781)	(65.7)
Loss for the year attributable to Owners of the Company		(1,075,272)	(3,439,273)	(68.7)
Total Comprehensive Loss Attributable to Owners of the Company		(1,130,654)	(3,291,781)	65.7

(i) Other income includes the following:

	<u>Group</u>	
	<u>Full Year Ended</u>	
	30 June 2019	30 June 2018
	Unaudited	Audited
	S\$	S\$
Allowances for doubtful debts written back	28,720	-
Bad debts recovered	60,105	9,198
Foreign currency translation gain	169,143	-
Gain on disposal of property, plant and equipment	5,000	47,195
Gain on disposal of subsidiaries, net	269,435	-
Government grants/subsidies	38,074	27,201
Interest income	32,867	23,086
Write off of other payables	-	17,477
Sundry income	109,905	123,421
	<u>713,249</u>	<u>247,578</u>

(ii) Other expenses include the following:

	<u>Group</u>	
	<u>Full Year Ended</u>	
	30 June 2019	30 June 2018
	Unaudited	Audited
	S\$	S\$
Allowance for doubtful debts	52,195	847,405
Bad debts written off	-	2,111
Foreign exchange loss	61,110	30,404
	<u>113,305</u>	<u>879,920</u>

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

	30 June 2019	30 June 2018
	Unaudited	Audited
	S\$	S\$
Amortisation of intangible assets	5,732	5,371
Depreciation of property, plant and equipment	98,903	125,856
	<u>104,635</u>	<u>131,227</u>

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>	
	30 June 2019 Unaudited S\$	30 June 2018 Audited S\$	30 June 2019 Unaudited S\$	30 June 2018 Audited S\$
<u>ASSETS</u>				
<u>Non-current assets:</u>				
Property, plant and equipment	300,550	387,943	8,499	-
Intangible assets	1,672	6,104	939	-
Subsidiaries	-	-	963,340	963,340
Total non-current assets	302,222	394,047	972,778	963,340
<u>Current assets:</u>				
Inventories	938,036	1,066,744	-	-
Contract assets	105,931	161,624	-	-
Trade and other receivables	4,329,078	3,950,546	-	-
Amount due from a related party	-	-	323,361	256,676
Available-for-sale investments	-	14,870	-	-
Financial asset, FVOCI	14,378	-	-	-
Cash and bank balances	1,453,708	1,820,084	2,576	1,454
Income tax recoverable	-	18,896	-	-
Total current assets	6,841,131	7,032,764	325,937	258,130
Total assets	7,143,353	7,426,811	1,298,715	1,221,470
<u>LIABILITIES AND EQUITY</u>				
<u>Current liabilities:</u>				
Trade and other payables	6,067,656	5,760,369	675,092	591,409
Provision for warranty	17,797	144,425	-	-
Contract liabilities	-	355,979	-	-
Lease obligations	22,408	29,669	-	-
Bank overdrafts	245,784	228,376	-	-
Short term borrowing	381,491	393,430	-	-
Income tax payable	2,975	-	-	-
Total current liabilities	6,738,111	6,912,248	675,092	591,409
<u>Non-current liabilities:</u>				
Lease obligations	57,745	80,805	-	-
Deferred tax liabilities	654	676	-	-
Borrowings	4,227,307	3,182,892	-	-
Total non-current liabilities	4,285,706	3,264,373	-	-
<u>Capital and reserves:</u>				
Share capital	40,310,404	40,310,404	40,310,404	40,310,404
Statutory reserve	346,410	346,410	-	-
Foreign currency translation reserves	(806,670)	(751,288)	-	-
Fair value reserve	15,706	15,706	-	-
Accumulated losses	(43,746,314)	(42,671,042)	(39,686,781)	(39,680,343)
Total deficit	(3,880,464)	(2,749,810)	623,623	630,061
Total liabilities and deficit	7,143,353	7,426,811	1,298,715	1,221,470
Working capital	103,020	120,516		

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 June 2019 (Unaudited) S\$		As at 30 June 2018 (Audited) S\$	
Secured	Unsecured	Secured	Unsecured
268,192	381,491	258,045	393,430

Amount repayable after one year

As at 30 June 2019 (Unaudited) S\$		As at 30 June 2018 (Audited) S\$	
Secured	Unsecured	Secured	Unsecured
57,745	4,227,307	80,805	3,182,892

Details of any collaterals

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

The bank overdrafts of S\$245,784 (30 June 2018: S\$228,376) are secured on fixed deposits pledged.

Finance leases of S\$80,153 (30 June 2018: S\$110,474) are secured on the plant and equipment. The net book value of these plant and equipment as at 30 June 2019 was S\$113,450 (30 June 2018: S\$169,714).

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	
	Full Year Ended	
	30 June 2019	30 June 2018
	Unaudited	Audited
	S\$	S\$
Cash flows from operating activities		
Loss before income tax	(1,075,889)	(3,436,277)
Amortisation of intangible assets	5,732	5,371
Allowances for doubtful debts	52,195	847,405
Bad debts written off	-	2,111
Bad debts recovered	(60,105)	(9,198)
Depreciation of property, plant and equipment	98,903	125,856
Foreign exchange loss	1,101	33,253
Interest expense	190,028	280,205
Interest income	(32,867)	(23,086)
Gain on disposal of plant and equipment	(5,000)	(47,195)
Gain on disposal of a subsidiary	(269,435)	-
Provision for warranty	-	64,521
Written off other payable	-	(17,477)
Operating loss before working capital changes	(1,095,337)	(2,174,511)
Changes in working capital:		
Trade and other receivables	(370,622)	477,332
Contract assets/ liabilities	(283,080)	458,553
Inventories	128,708	(26,466)
Trade and other payables	674,654	474,699
Provision for warranty	(57,829)	(54,064)
Cash used in operations	(1,003,506)	(844,457)
Interest paid	(385,272)	(144,987)
Income tax refund	20,748	54,941
Income tax paid	(660)	(41,667)
Net cash used in operating activities	(1,368,690)	(976,170)
Cash flows from investing activities		
Proceeds from disposal of plant and equipment	-	86,284
Net cashflow arising from disposal of a subsidiary	(4,564)	-
Purchase of plant and equipment	(32,834)	(88,734)
Net cash used in investing activities	(37,398)	(2,450)
Cash flows from financing activities:		
Interest received	32,867	23,086
Net repayments of finance leases	(30,321)	(64,914)
Repayment of short term borrowing	(1,964,565)	(454,940)
Proceed of short term borrowing	3,103,803	1,708,820
Withdrawal of fixed deposit pledged	-	13,260
Net cash from financing activities	1,141,784	1,225,312
Net effect of exchange rate changes in consolidating subsidiaries	(119,356)	12,289
Net decrease in cash and cash equivalents	(264,304)	246,692
Cash and cash equivalents at beginning of year	835,738	576,757
Cash and cash equivalents at end of year	452,078	835,738

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

	Group	
	<u>Full Year Ended</u>	
	30 June 2019	30 June 2018
	Unaudited	Audited
	S\$	S\$
Cash and bank balance at end of year includes the following:		
Cash and bank balances	1,453,709	1,820,084
Bank overdrafts	(245,784)	(228,376)
	<u>1,207,925</u>	<u>1,591,708</u>
Restricted cash	(755,847)	(755,970)
Cash and cash equivalents at end of year	<u>452,078</u>	<u>835,738</u>

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	Foreign Currency Translation Reserve	Fair Value Reserve on AFS	Accumulated Losses	Total Equity
Balance at 1 July 2017 (Audited)	S\$ 40,310,404	S\$ 346,410	S\$ (898,780)	S\$ 15,706	S\$ (39,231,769)	S\$ 541,971
Loss for the year	-	-	-	-	(3,439,273)	(3,439,273)
- Currency translation differences arising from consolidation	-	-	147,492	-	-	147,492
Total Comprehensive loss for the year	-	-	147,492	-	(3,439,273)	(3,291,781)
Balance at 30 June 2018 (Audited)	40,310,404	346,410	(751,288)	15,706	(42,671,042)	(2,749,810)
Balance at 1 July 2018 (Audited)	40,310,404	346,410	(751,288)	15,706	(42,671,042)	(2,749,810)
Loss for the year	-	-	-	-	(1,075,272)	(1,075,272)
- Currency translation differences arising from consolidation	-	-	(55,382)	-	-	(55,382)
Total Comprehensive loss for the year	-	-	(55,382)	-	(1,075,272)	(1,130,654)
Balance at 30 June 2019 (Unaudited)	40,310,404	346,410	(806,670)	15,706	(43,746,314)	(3,880,464)

COMPANY	Share Capital	Accumulated Losses	Total
Balance at 1 July 2017 (Audited)	S\$ 40,310,404	S\$ (39,782,481)	S\$ 527,923
Total comprehensive loss for the period	-	102,138	102,138
Balance at 30 June 2018 (Audited)	40,310,404	(39,680,343)	630,061
Balance at 1 July 2018 (Audited)	40,310,404	(39,680,343)	630,061
Total comprehensive loss for the period	-	(6,438)	(6,438)
Balance at 30 June 2019 (Unaudited)	40,310,404	(39,686,781)	623,623

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 (S\$)</u>
As at 30 June 2018	915,977,500	40,310,404
As at 30 June 2019	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 June 2018 and 30 June 2019. 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 June 2018 and 30 June 2019.

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.

	30 June 2019	30 June 2018
The total number of issued shares excluding treasury shares	915,977,500	915,977,500

1(d)(iv) A statement showing all sales, transfers, 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 auditing 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.

In December 2017, the Accounting Standards Council (“ASC”) issued the Singapore Financial Reporting Standards (International) (“SFRS(I”). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The Group's financial statements for the financial year ended 30 June 2019 will be prepared in accordance with SFRS(I) issued by the ASC, and IFRS issued by the IASB.

The Group has applied the same accounting policies and methods of computation in the financial statements for the financial year ended 30 June 2019 (“FY2019”) as that of the audited financial statements for the year ended 30 June 2018 (“FY2018”), except for the adoption of new/revised SFRS(I) applicable for the financial period beginning 1 July 2018 as follows:

SFRS(I) 1:	First-time Adoption of Singapore Financial Reporting Standards (International);
SFRS(I)15:	Revenue from Contracts with Customers;
SFRS(I) 9:	Financial Instruments;
SFRS(I) 1:	First-time Adoption of Singapore Financial Reporting Standards (International)

SFRS(I) requires that the Group applies SFRS(I) on a retrospective basis and restatement of comparatives may be required because SFRS(I) 1 requires both the opening statement of financial position and comparative information to be prepared using the most current accounting policies. SFRS(I) 1 provides mandatory exceptions and optional exemptions from retrospective application, but these are often different from those specific transition provisions in individual Financial Reporting Standards (“FRS”) applied to FRS financial statements.

The application of the mandatory exceptions and the optional exemptions in SFRS(I) 1 does not have any significant impact on the Group's financial statements.

SFRS(I) 15: Revenue from Contracts with Customers

SFRS(I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met. The Group has adopted SFRS(I) 15 using the retrospective approach and applies all of the requirements of SFRS(I) 15 retrospectively, except for the practical expedients used for completed contracts. Under these practical expedients, completed contracts that began and ended in the same comparative reporting period, as well as completed contracts at the beginning of the earliest period presented, are not restated.

SFRS(I) 9: Financial Instruments

SFRS(I) 9 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Overall, the Group does not expect a significant change to the measurement basis arising from adopting the new classification and measurement model under SFRS(I) 9. The Group elected the SFRS(I) exemption in SFRS(I) 1 allowing it not to restate comparative information in SFRS(I) financial statements for the financial year ended 30 June 2019. Differences in the carrying amounts

of financial assets and financial liabilities resulting from the adoption of SFRS(I) 9 are recognised in retained earnings as at 1 July 2018.

SFRS(I) 9 requires the Group to record expected credit losses on all of its loans and trade receivables, either on a 12-month or lifetime basis. The Group adopts the simplified approach and records lifetime expected losses on all trade receivables and any contract assets arising from the application of SFRS(I) 15.

Collectively, the adoption of SFRS(I) 15 and SFRS(I) 9 is assessed to have no significant impact on the results of the Group's financial statements for FY2019.

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	
	Full Year Ended	
	30-Jun-19 (Unaudited)	30-Jun-18 (Audited)
(i) Basic and fully diluted loss per share ("LPS") (Singapore cents)	(0.12)	(0.38)
(ii) 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 loss 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 June 2019 (Unaudited)	30 June 2018 (Audited)	30 June 2019 (Unaudited)	30 June 2018 (Audited)
Net (liabilities)/ asset value per ordinary share (Singapore cents)	(0.42)	(0.30)	0.07	0.07
Total number of issued ordinary shares	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

	FY2019	FY2018	+ / (-)
	S\$	S\$	%
Singapore	9,269,542	7,180,706	29.1
Malaysia	874,938	1,033,056	(15.3)
People's Republic of China	935,883	160,511	483.1
Indian sub-continent	120,781	213,535	(43.4)
Others	458,295	119,418	283.8
	11,659,439	8,707,226	33.9

Overall group revenue increased by approximately S\$2.90 million or 33.9% from approximately S\$8.71 million in FY2018 to approximately S\$11.66 million in FY2019, mainly attributable to an increase in revenue from the Singapore market. This arose from the completion of certain order by subcontractors involved in SMRT related project for supply of commercial waterproofing and insulation materials. The significant increase in revenue from China market is mainly due to completion of work for certain one-off, short-term waterproofing projects. The revenue derived from other regions showed significant increase due to the significant growth in Thailand market, partially offsetting the decrease in revenue due to subdued economic conditions in Malaysia.

Gross Profit

	FY2019	FY2018	Change
Gross profit (S\$'million)	2.32	1.30	78.8%
Gross margin	19.9%	14.9%	

Correspondingly, gross profit increased approximately 78.8% from S\$1.30 million in FY2018 to S\$2.32 million in FY2019 due to the increase in revenue. The gross profit margin also increased 5 percentage points from 14.9% in FY2018 to 19.9% in FY2019, due to the relatively higher margin earned on supply of commercial waterproofing and insulation materials to the subcontractors involved in SMRT related project.

Distribution Expenses

	FY2019	FY2018	Change
Distribution Expenses (S\$'million)	0.94	0.91	3.8%
As a percentage of net sales	8.1%	10.4%	

Distribution expenses increased approximately 3.8% in FY2019 due mainly to an increase in staff remuneration and welfare, offset by lower entertainment and exhibition expenses related to the sales and marketing activities.

Administrative Expenses

	FY2019	FY2018	Change
Administrative expenses (S\$'million)	2.66	2.91	(8.9)%
As a percentage of net sales	22.8%	33.5%	

The overall decrease in administrative expenses by 8.9% to S\$2.66 million in FY2019 from S\$2.91 million in FY2018 was due mainly to lower conferences expenses and hotel rental, offset by higher office rental, legal and professional fee and tax service fee.

Other Income

Other income increased 188.1% from S\$0.25 million in FY2018 to S\$0.71 million in FY2019, mainly due to the gain on disposal of a subsidiary, CRG Contractors Pte Ltd and gain on foreign currency translation.

Other Expenses

Other expenses decreased 87.1% from S\$0.88 million in FY2018 to S\$0.11 million in FY2019, mainly due to less allowance for doubtful debts provided, offset by higher foreign exchange loss.

Finance Cost

Finance cost increased from S\$0.28 million in FY2018 to S\$0.40 million in FY2019 due to higher long-term borrowings drawn down in FY2019.

Net Loss

Based on the above, the Group recorded a net loss of S\$1.08 million for FY2019 as compared to a net loss of S\$3.44 million for FY2018.

Review of Consolidated Statement of Financial Position

Non-Current Assets

As at 30 June 2019, non-current assets stood at S\$0.30 million or approximately 4.2% of total assets, a decrease of approximately S\$0.09 million as compared to S\$0.39 million at 30 June 2018.

Decrease in property, plant and equipment was mainly due to depreciation charged for the year, offset by additional purchase of plant and equipment.

Current Assets

As at 30 June 2019, current assets stood at S\$6.84 million and approximately 95.8% of total assets, a decrease of approximately S\$0.19 million as compared to S\$7.03 million as at 30 June 2018.

Inventories decreased S\$0.13 million to S\$0.94 million as at 30 June 2019 mainly due to shorter inventory turnover days in FY2019.

Trade and other receivables increased by S\$0.42 million to S\$4.33 million as at 30 June 2019 due mainly to the significant increase of overall sales volume in FY2019.

Decrease in contract assets was mainly due to the disposal of subsidiary, CRG Contractor Pte Ltd, which provides waterproofing installation works and contractors for construction works.

The recognition of financial assets, FVOCI is due to the adoption of new SFRS(I), the amount had been reclassified from available-for-sale investments.

Non-Current Liabilities

As at 30 June 2019, non-current liabilities amounted to S\$4.29 million or approximately 38.9% of total liabilities, an increase of S\$1.02 million compared to 30 June 2018.

Long term borrowings increased by approximately S\$1.04 million to S\$4.23 million as at 30 June 2019 mainly due to the additional drawdown of unsecured loan from third party lenders undertaken by our Hong Kong subsidiary – CGI (HK) Limited.

Current Liabilities

As at 30 June 2019, current liabilities amounted to S\$6.74 million or approximately 61.1% of total liabilities.

Trade and other payables increased by 9.8% or S\$0.51 million to S\$5.63 million as at 30 June 2019 due mainly to increase of overall sales from the Singapore subsidiary, which primarily trades and distributes waterproofing and specialised building materials.

Decrease in provision for warranty was mainly due to the disposal of subsidiary, CRG Contractor Pte Ltd, which mainly dealt with waterproofing installation work and provided warranty to customer.

Equity

Shareholders' net deficit amount to S\$3.88 million as at 30 June 2019, increase from a net deficit of S\$2.75 million as at 30 June 2018. The increase reflected higher losses recognised for the current financial year as explained above. Nevertheless, the Group had a positive net working capital of S\$0.10 million as at 30 June 2019, and with the continuing support from certain substantial shareholders and third-party lenders, it will be able to continue its operations and meet its short-term obligations, as and when they fall due.

Review of Consolidated Statement of Cash Flows

	FY2019	FY2018
	S\$'000	S\$'000
Net cash used in operating activities	(1,369)	(976)
Net cash used in investing activities	(37)	(2)
Net cash from financing activities	1,142	1,225
Net (decrease) / increase in cash and cash equivalents	(264)	247
Cash and cash equivalents at end of year	452	836

Net cash used in operating activities

In FY2019, the Group recorded a net cashflow used in operating activities amounting to S\$1.37 million as compared to the net cash outflow of S\$0.98 million in FY2018. This increase of net cash outflow in operating activities was due mainly to the decrease in trade and other receivables and contract assets/ liabilities, offset by the increase in trade and other payables, with the underlying reasons of fluctuation as above.

Net cash used in investing activities

The net cash flow from investing activities amounted to an outflow of S\$0.37 million for FY2019, mainly due to the additional purchase of plant and equipment by the Group's Malaysian subsidiaries.

Net cash from financing activities

The Group recorded net cash inflow from investment activities of S\$1.14 million in FY2019, an increase of S\$0.08 million as compared to FY2018. The increase was mainly due to the additional loan drawdown from external parties by CGI (HK) Limited, offset by the repayment of short-term loan and finance lease during the year.

Based on the above, the Group's net cash and cash equivalents decreased to S\$0.45 million in 2019 from S\$0.84 million as at 30 June 2018.

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 Group will seek to procure further contracts for the supply of commercial waterproofing and insulation materials to SMRT related projects and adhering to cost control discipline to manage its financial resources efficiently. The Company is currently working towards submitting a resumption proposal to resume trading in its securities and shall provide any material update on this matter to shareholders as and when appropriate.

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 FY2019.

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

Not applicable.

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

Not applicable.

(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 and the reason(s) for the decision.

No dividend has been declared / recommended for FY2019 as the Group incurred losses during the year.

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 in FY2019.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15. **Segmented revenue and results for operating segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

(A) Business Segments:

	Waterproofing		Financial Services and Investment Business		Consolidated	
	FY2019	FY2018	FY2019	FY2018	FY2019	FY2018
REVENUE	S\$	S\$	S\$	S\$	S\$	S\$
External sales	11,659,439	8,707,226	-	-	11,659,439	8,707,226
Inter-segment sales	-	-	-	-	-	-
	11,659,439	8,707,226	-	-	11,659,439	8,707,226
RESULTS						
Segment results	(213,423)	(1,521,489)	(592,000)	(777,749)	(805,423)	(2,299,238)
Unallocated Corporate expenses					(113,305)	(879,920)
Interest expense					(190,028)	(280,205)
Interest income					32,867	23,086
Loss before income tax					(1,075,889)	(3,436,277)
Income tax expense					617	(2,996)
Loss for the year					(1,075,272)	(3,439,273)
BALANCE SHEET						
Segment assets	7,055,257	7,362,114	69,171	5,033	7,124,428	7,367,147
Unallocated assets					18,924	59,664
					7,143,352	7,426,811
Segment liabilities	5,699,762	6,001,754	4,648,965	3,455,074	10,348,727	9,456,828
Deferred tax liabilities	(676)	(654)			(654)	(676)
					10,348,073	9,456,152
Unallocated liabilities					675,744	720,469
					11,023,817	10,176,621
OTHER INFORMATION						
Depreciation and amortisation	96,473	125,856	8,162	5,371	104,635	131,227
Allowances for doubtful debts	52,195	847,405	-	-	52,195	847,405
Written back of Allowances for doubtful debts	28,720	-	-	-	28,720	-

(B) Geographical Segments:

The Group's revenue from external customers are based on location of customers and information about the segment assets are based on geographical area in which the assets are located.

	Revenue		Non-current assets	
	FY2019	FY2018	FY2019	FY2018
	S\$	S\$	S\$	S\$
Singapore	9,269,542	7,180,706	140,968	213,137
Malaysia	874,938	1,033,056	130,497	140,517
People's Republic of China	935,883	160,511	30,757	40,343
Hong Kong	-	-	-	50
Indian sub-continent	120,781	213,535	-	-
Others	458,295	119,418	-	-
	11,659,439	8,707,226	302,222	394,047

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments

As disclosed in paragraph 8 above.

17. A breakdown of sales

	FY2019	FY2018	Increase/ (Decrease) %
	S\$	S\$	
Sales reported for first half year	5,177,141	4,619,417	12.1%
Operating loss after tax and before deducting minority interests reported for the first half year	(952,927)	(1,391,706)	(31.5)%
Sales reported for second half year	6,482,298	4,087,809	58.6%
Operating loss after tax and before deducting minority interests reported for the second half year	(122,345)	(2,047,567)	(94.0)%

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

Not applicable.

- 19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement**

The Board of Directors confirms that there is no person occupying managerial position in the Company or any of its principal subsidiaries who is a relative of a director, executive officer or substantial shareholder of the Company as at the date of this announcement.

- 20. 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.

BY ORDER OF THE BOARD

So Yuen Chun
Executive Director
29 August 2019