



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 2018

29 August 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 ("SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.

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

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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 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 Full Year Ended		+/-
		30-Jun-18 (Unaudited)	30-Jun-17 (Audited)	
Continuing Operations		S\$	S\$	%
Revenue		8,780,552	10,987,148	(20.1)
Cost of Sales		(7,472,638)	(8,826,054)	(15.3)
Gross Profit		1,307,914	2,161,094	(39.5)
Other Income	i	230,101	235,996	(2.5)
Distribution Expenses		(921,820)	(993,383)	(7.2)
Administrative Expenses		(2,904,812)	(3,246,348)	(10.5)
Other Expenses	ii	(482,531)	(960,770)	(49.8)
Finance Cost		(280,205)	(240,675)	16.4
Loss before Income Tax	iii	(3,051,353)	(3,044,086)	0.2
Income Tax Expense		815	(230)	(454.5)
Loss for the Year from continuing operations		(3,050,538)	(3,044,316)	0.2
Discontinued Operations				
Loss for the Year from discontinued operations		-	73,813	N.M
Loss for the Year		(3,050,538)	(2,970,503)	2.7
Other comprehensive loss:				
Currency translation difference arising from consolidation		162,146	(73,283)	-321.3
Other comprehensive loss for the year, net of tax		162,146	(73,283)	-321.3
Total comprehensive loss for the year		(2,888,392)	(3,043,786)	(5.1)
Loss for the year attributable to Owners of the Company		(3,050,538)	(2,970,503)	2.7
Total Comprehensive Loss Attributable to Owners of the Company		(2,888,392)	(3,043,786)	5.1

N.M – not meaningful

(i) Other income includes the following:

	<u>Group</u>	
	<u>Full Year Ended</u>	
	30 June 2018	30 June 2017
	Unaudited	Audited
	S \$	S \$
Bad debts recovered	9,199	75,734
Foreign translation gain, net	-	7,054
Gain on disposal of property, plant and equipment	47,195	-
Government grants/subsidies	27,201	29,334
Interest income	23,086	12,824
Sundry income	123,420	111,050
	230,101	235,996

(ii) Other expenses include the following:

	<u>Group</u>	
	<u>Full Year Ended</u>	
	30 June 2018	30 June 2017
	Unaudited	Audited
	S \$	S \$
Allowance for doubtful debts	444,009	78,618
Bad debts written off	-	4,478
Loss on disposal of held-for-trading investments	-	782,617
Loss on disposal of property, plant and equipment	-	94,262
Foreign exchange loss, net	38,522	-
Sundry expense	-	795
	482,531	960,770

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

	30 June 2018	30 June 2017
	Unaudited	Audited
	S \$	S \$
Amortisation of intangible assets	5,371	4,990
Depreciation of property, plant and equipment	125,542	119,949

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 2018	30 June 2017	30 June 2018	30 June 2017
	Unaudited	Audited	Unaudited	Audited
	S\$	S\$	S\$	S\$
<u>ASSETS</u>				
<u>Non-current assets:</u>				
Property, plant and equipment	388,267	366,003	-	-
Intangible assets	6,104	11,475	-	-
Subsidiaries	-	-	963,340	963,340
Total non-current assets	394,371	377,478	963,340	963,340
<u>Current assets:</u>				
Inventories	1,066,743	1,023,604	-	-
Gross amount due from contract customers	173,977	347,536	-	-
Trade and other receivables	4,413,462	5,194,810	20,958	254,973
Amount due from a related party	-	-	235,718	-
Available-for-sale investments	14,871	14,104	-	-
Cash and bank balances	1,816,871	1,550,365	1,453	1,935
Income tax recoverable	-	38,669	-	-
Total current assets	7,485,924	8,169,088	258,129	256,908
Total assets	7,880,295	8,546,566	1,221,469	1,220,248
<u>LIABILITIES AND EQUITY</u>				
<u>Current liabilities:</u>				
Trade and other payables	5,625,867	5,122,423	391,409	692,325
Provision for warranty	144,425	131,996	-	-
Amount due to a related party	200,000	-	200,000	-
Gross amount due to contract customers	298,840	84,470	-	-
Lease obligations	29,669	33,610	-	-
Bank overdrafts	347,067	245,865	-	-
Short term borrowing	393,430	387,706	-	-
Income tax payable	18,690	-	-	-
Total current liabilities	7,057,988	6,006,070	591,409	692,325
<u>Non-current liabilities:</u>				
Lease obligations	80,805	51,688	-	-
Deferred tax liabilities	676	4,144	-	-
Borrowings	3,087,247	1,942,693	-	-
Total non-current liabilities	3,168,728	1,998,525	-	-
<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	(736,634)	(898,780)	-	-
Fair value reserve	15,706	15,706	-	-
Accumulated losses	(42,282,307)	(39,231,769)	(39,680,344)	(39,782,481)
Total equity	(2,346,421)	541,971	630,060	527,923
Total liabilities and equity	7,880,295	8,546,566	1,221,469	1,220,248
Working capital	427,936	2,163,018		
Total borrowings	3,938,217	2,661,562		
Gross gearing (times)*	(1.68)	4.91		

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 2018 (Unaudited) S\$		As at 30 June 2017 (Audited) S\$	
Secured	Unsecured	Secured	Unsecured
376,736	393,430	279,475	387,706

Amount repayable after one year

As at 30 June 2018 (Unaudited) S\$		As at 30 June 2017 (Audited) S\$	
Secured	Unsecured	Secured	Unsecured
80,805	3,087,247	51,688	1,942,693

Details of any collaterals

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

The bank overdrafts of S\$347,067 (30 June 2017: S\$245,865) are secured on fixed deposits pledged.

Finance leases of S\$110,474 (30 June 2017: S\$85,298) are secured on the plant and equipment. The net book value of these plant and equipment as at 30 June 2018 was S\$149,446 (30 June 2017: S\$159,296).

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 2018	30 June 2017
	Unaudited	Audited
	S\$	S\$
Cash flows from operating activities		
Loss before income tax - continuing operations	(3,051,353)	(3,044,086)
Loss before income tax - discontinued operation	-	73,813
Loss before income tax, total	(3,051,353)	(2,970,273)
Amortisation of intangible assets	5,371	4,990
Allowances for doubtful debts	444,009	78,618
Bad debts written off	-	4,478
Bad debts recovered	(9,199)	(75,734)
Depreciation of property, plant and equipment	125,542	119,949
Foreign exchange loss	38,522	4,886
Interest expense	280,205	240,675
Interest income	(23,086)	(12,824)
Loss on disposal of held-for-trading investment	-	782,617
(Gain)/loss on disposal of plant and equipment	(47,195)	94,262
Gain on disposal of subsidiaries, net	-	(175,597)
Provision for obsolete stocks	-	13,836
Provision for foreseeable loss written back	-	24,000
Provision for warranty	10,458	72,348
Operating loss before working capital changes	(2,226,726)	(1,793,769)
Changes in working capital:		
Trade and other receivables	346,537	308,442
Amount due from/to contract customers	387,929	(173,318)
Inventories	(43,139)	(264,833)
Net decrease of held-for-trading investment	-	139,196
Trade and other payables	597,065	1,000,078
Provision for warranty	-	(66,129)
Cash used in operations	(938,334)	(850,333)
Interest paid	(97,442)	(177,526)
Income tax refund	105,069	-
Income tax paid	(50,362)	(24,046)
Net cash used in operating activities	(981,069)	(1,051,905)
Cash flows from investing activities		
Interest received	23,086	12,824
Net cash outflow from disposal of a subsidiary	-	(9,026)
Proceeds from disposal of plant and equipment	86,284	7,572
Purchase of plant and equipment	(178,824)	(54,519)
Purchase of intangible assets	-	(13,750)
Amount due from a related party	-	4,000
Net cash used in investing activities	(69,454)	(52,899)

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 2018	30 June 2017
	Unaudited	Audited
	S\$	S\$
Cash flows from financing activities		
Repayments of lease obligations	(106,284)	(38,185)
Net proceeds from finance leases	131,460	-
Proceeds from short term borrowing	1,727,697	1,710,198
Repayment of short term borrowing	(555,611)	(401,897)
Placement of fixed deposit pledged	(652,007)	(10,242)
Net cash from financing activities	545,255	1,259,874
Net (decrease)/ increase in cash and cash equivalents	(505,268)	155,070
Cash and cash equivalents at beginning of year	576,757	435,571
Net effect of exchange rate changes in consolidating subsidiaries	18,565	(13,884)
Cash and cash equivalents at end of year	90,054	576,757

	30 June 2018	30 June 2017
	Unaudited	Audited
	S\$	S\$
Cash at end of year includes the following:		
Cash and bank balances	1,816,871	1,550,365
Bank overdrafts	(347,067)	(245,865)
	1,469,804	1,304,500
Restricted cash	(1,379,750)	(727,743)
Cash and cash equivalents at end of year	90,054	576,757

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 2016 (Audited)	S\$ 40,310,404	S\$ 346,410	S\$ (825,497)	S\$ 15,706	S\$ (36,261,266)	S\$ 3,585,757
Loss for the year	-	-	-	-	(2,970,503)	(2,970,503)
- Currency translation differences arising from consolidation	-	-	(73,283)	-	-	(73,283)
Total Comprehensive loss for the year	-	-	(73,283)	-	(2,970,503)	(3,043,786)
Balance at 30 June 2017 (Audited)	40,310,404	346,410	(898,780)	15,706	(39,231,769)	541,971
Balance at 1 July 2017 (Unaudited)	40,310,404	346,410	(898,780)	15,706	(39,231,769)	541,971
Loss for the year	-	-	-	-	(3,050,538)	(3,050,538)
- Currency translation differences arising from consolidation	-	-	162,146	-	-	162,146
Total Comprehensive loss for the year	-	-	162,146	-	(3,050,538)	(2,888,392)
Balance at 30 June 2018 (Unaudited)	40,310,404	346,410	(736,634)	15,706	(42,282,307)	(2,346,421)

COMPANY	Share Capital	Accumulated Losses	Total Equity
Balance at 1 July 2016 (Audited)	S\$ 40,310,404	S\$ (39,883,850)	S\$ 426,554
Total comprehensive profit for the period	-	101,369	101,369
Balance at 30 June 2017 (Audited)	40,310,404	(39,782,481)	527,923
Balance at 1 July 2017 (Audited)	40,310,404	(39,782,481)	527,923
Total comprehensive profit for the period	-	102,137	102,137
Balance at 30 June 2018 (Unaudited)	40,310,404	(39,680,344)	630,060

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 of 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 31 March 2018	915,977,500	40,310,404
As at 30 June 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 June 2018 and 30 June 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 June 2018 and 30 June 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.

	30 June 2018	30 June 2017
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 year 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 year 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 year, compared with those of the most recently audited financial statements for the financial year ended 30 June 2017.

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 2017. 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 year 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	
	Full Year Ended	
	30-Jun-18 (Unaudited)	30-Jun-17 (Audited)
(i) Basic and fully diluted loss per share ("LPS") (Singapore cents)	(0.33)	(0.32)
(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 years.

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 2018 (Unaudited)	30 June 2017 (Audited)	30 June 2018 (Unaudited)	30 June 2017 (Audited)
Net (liabilities)/ asset value per ordinary share (Singapore cents)	(0.26)	0.06	0.07	0.06
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

Group revenue decreased by approximately S\$2.2 million or 20.1% from approximately S\$11.0 million in FY2017 to approximately S\$8.8 million in FY2018, attributable mainly to decrease in work performed in commercial roofing and insulation applications. Decrease in commercial roofing and insulation was due to weakening market demand and the effect from the reduction in our selling prices for our major service and product in order to remain competitive with the rest of market.

Gross Profit

	FY2018	FY2017	Change
Gross profit (S\$'million)	1.31	2.16	(39.5)%
Gross margin	14.9%	19.7%	

Decrease in gross profit margin from 19.7% in FY2017 to 14.9% in FY2018 due mainly to lower selling price, higher raw material costs and labor costs for the waterproofing business. To maintain its market competitiveness, lower margin yielding product mix was implemented by our subsidiaries to secure more contracts.

Distribution Expenses

	FY2018	FY2017	Change
Distribution Expenses (S\$'million)	0.92	0.99	(7.2)%
As a percentage of net sales	10.5%	9.0%	

Decrease in distribution expenses of approximately 7.2% to S\$0.92 million in FY2018 due mainly to a decrease in sales commission and oversea travel expenses from the waterproofing business, offset by higher entertainment expenses related to the sales and marketing activities.

Administrative Expenses

	FY2018	FY2017	Change
Administrative expenses (S\$'million)	2.90	3.25	(10.5)%
As a percentage of net sales	33.1%	29.5%	

Decrease in administrative expenses of 10.5% to S\$2.90 million in FY2018 due mainly to a combination of decrease in lower rental expenses for CGI (HK) Limited, lower auditor's remuneration, directors' fees, entertainment expenses and staff salaries from waterproofing businesses, offset by higher depreciation of property, plant and equipment and lab testing fee from waterproofing business.

Other Expenses

Other expenses decreased from S\$0.96 million in FY2017 to S\$0.48 million in FY2018, mainly due to the absence of fair value loss on held for trading investments, loss on disposal of property, plant and equipment and loss on disposal of held for trading investments, offset by higher allowance for doubtful debts due to the provision of impairment for the amount due from two overseas customers from our waterproofing business.

Finance Cost

Finance cost increased from S\$0.24 million in FY2017 to S\$0.28 million in FY2018 due to higher long-term borrowings utilized in FY2018.

Net Loss

Based on the above, the Group recorded a net loss of S\$3.05 million in FY2018 as compared to a net loss of S\$3.04 million for FY2017.

Review of Consolidated Statement of Financial Position

Non-Current Assets

As at 30 June 2018, non-current assets stood at S\$0.39 million or approximately 5.0% of total assets, an increase of approximately S\$0.01 million as compared to S\$0.38 million at 30 June 2017.

Increase in property, plant and equipment by S\$0.01 million to S\$0.39 million as at 30 June 2018 due mainly to additional purchase of plant and equipment which was offset by depreciation charged during the financial year.

Decrease in intangible assets by S\$5,371 to S\$6,104 as at 30 June 2018 was mainly due to amortization during the financial year.

Current Assets

As at 30 June 2018, current assets stood at S\$7.49 million and approximately 95.0% of total assets, a decrease of approximately S\$0.68 million as compared to S\$8.17 million as at 30 June 2017.

Inventories increased by S\$0.04 million to S\$1.07 million as at 30 June 2018 due mainly to higher material costs vis-à-vis previous financial year as at 30 June 2017.

Trade and other receivables decreased by S\$0.78 million to S\$4.41 million as at 30 June 2018 due mainly to the increase in net collection from completed projects and higher allowance for doubtful debts, offset by decrease in retention sums contributed by waterproofing projects nearing completion.

Gross amount due from contract customers decreased by S\$0.17 million to S\$0.17 million as at 30 June 2018 due mainly to completed projects which had been realised in profit and losses during the financial year offset by claims certification works from our waterproofing business.

Non-Current Liabilities

As at 30 June 2018, non-current liabilities amounted to S\$3.17 million or approximately 31.0% of total liabilities, an increase of S\$1.17 million compared to 30 June 2017, due mainly to long-term borrowings increased by approximately S\$1.14 million to S\$3.09 million as at 30 June 2018 arising from additional new unsecured loans undertaken by our Hong Kong subsidiary – CGI (HK) Limited.

Current Liabilities

As at 30 June 2018, current liabilities amounted to S\$7.06 million or approximately 69.0% of total liabilities, an increase of S\$1.05 million compared to 30 June 2017 due mainly to the following:

Trade and other payables increased by 9.8% or S\$0.50 million to S\$5.63 million as at 30 June 2018 due mainly to a net increase in accrued trade payables attributable from subcontractors for several completed or nearly completed waterproofing projects.

Gross amount due to contract customers increased by S\$0.21 million to S\$0.30 million as at 30 June 2018 due mainly to prepayments from our customer relating to the claims certification work under our waterproofing business.

Reclassification from other payables to amount due to related party of S\$0.20 million as at 30 June 2018 was in relation to deposit received from the proposed disposal of the sale of our subsidiary group, Hitchins International Private Limited.

Equity

Shareholders' funds decreased to a net deficit of S\$2.35 million as at 30 June 2018 from a net equity S\$0.54 million as at 30 June 2017. The decrease reflected higher losses recognized for the current financial year as explained above. Nevertheless the Group had a positive net working capital of S\$0.43 million as at 30 June 2018, and premised on the continuing support from a substantial shareholder and existing third party lenders, it will be able to continue its operations and meet its short term obligations, as and when falls due.

Review of Consolidated Statement of Cash Flows

FY2018

	FY2018	FY2017
	S\$'000	S\$'000
Net cash used in operating activities	(981)	(1,052)
Net cash used in investing activities	(69)	(53)
Net cash from financing activities	545	1,260
Net (decrease) / increase in cash and cash equivalents	(505)	155
Cash and cash equivalents for the financial year	90	577

Net cash used in operating activities

The net cashflow used in operating activities amounted to S\$0.98 million in FY2018, due mainly to operating losses before changes in working capital amounted to S\$2.23 million, which was offset by the increase in trade and other receivables of S\$0.34 million, increase in amount due from contract customers of S\$0.38 million and the increase in trade and other payables of S\$0.59 million.

Net cash used in investing activities

The net cash flow used in investing activities amounted to S\$0.07 million in FY2018. Interest received generated a cash inflow of S\$0.02 million and proceeds from disposal of plant and equipment of S\$0.09 million, which was offset by the acquisition of plant and equipment which incurred a cash outflow of S\$0.18 million.

Net cash from financing activities

The net cash flow from financing activities amounted to S\$0.55 million in FY2018, due mainly to proceeds from short term borrowings and finance leases amounted to S\$1.73 million and S\$0.13 million respectively, offset by the repayment of short term borrowings of S\$0.56 million, placement of fixed deposit pledged of S\$0.65 million and the repayment of lease obligations of S\$0.11 million.

Based on the above, the Group's net cash and cash equivalents decreased by S\$0.49 million to S\$0.09 million as at 30 June 2018 from S\$0.58 million as at 30 June 2017.

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.

Our waterproofing business is not expected to witness a quick turnaround in view of lower utilisation of our assets whilst exercising prudence in both capital and operational spending. The Group will monitor the market environment closely and endeavor to mitigate any adverse challenges faced whilst adhering to cost control discipline. The Company continues to seek for income generating assets and various options to strengthen its balance sheet.

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 FY2018.

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

Nil.

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

Nil.

(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 FY2018.

- 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 FY2018.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15. **Segmented revenue and results for business or geographical 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		Loan Financing Business (Discontinued Operations)		Consolidated	
	FY2018	FY2017	FY2018	FY2017	FY2018	FY2017	FY2018	FY2017
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
REVENUE								
External sales	8,780,552	10,987,148	-	-	-	-	8,780,552	10,987,148
Inter-segment sales	-	-	-	-	-	-	-	-
	8,780,552	10,987,148	-	-	-	-	8,780,552	10,987,148
RESULTS								
Segment results	(1,521,489)	(724,538)	(786,837)	(1,031,454)	-	(101,784)	(2,308,326)	(1,857,776)
Unallocated Corporate expenses							(485,908)	(884,646)
Interest expense							(280,205)	(240,675)
Interest income							23,086	12,824
Loss before income tax							(3,051,353)	(2,970,273)
Income tax expense							815	(230)
Loss for the year							(3,050,538)	(2,970,503)
BALANCE SHEET								
Segment assets	7,815,598	8,379,576	5,033	104,256	-	-	7,820,631	8,483,832
Unallocated assets							59,664	62,734
							7,880,295	8,546,566
Segment liabilities	6,161,545	5,114,154	3,455,074	2,174,116	-	-	9,616,619	7,288,270
Deferred tax liabilities	(676)	(4,144)					(676)	(4,144)
							9,615,943	7,284,126
Unallocated liabilities							610,773	720,469
							10,226,716	8,004,595
OTHER INFORMATION								
Capital expenditure	179,686	52,719	-	-	-	-	179,686	52,719
Depreciation and amortisation	129,998	123,258	915	1,699	-	-	130,913	124,939
Allowances for doubtful debts	444,009	78,618					444,009	78,618
Bad debts recovered	(9,199)	(65,121)	-	-	-	-	(9,199)	(75,734)
Loss on disposal of held-for-trading investment	-	-	-	782,617			-	782,617

(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	
	FY2018	FY2017	FY2018	FY2017
	S\$	S\$	S\$	S\$
Singapore	7,327,118	7,554,931	213,137	187,380
Malaysia	973,437	1,761,965	140,840	137,762
People's Republic of China	147,044	324,661	40,344	51,347
Hong Kong	-	-	50	989
Indian sub-continent	76,204	642,810	-	-
Others	256,749	702,781	-	-
	8,780,552	10,987,148	394,371	377,478

16. In the view of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

As disclosed in paragraph 8 above.

17. A breakdown of sales

	FY2018	FY2017	Increase / (Decrease)
	S\$	S\$	%
Sales reported for first half year	4,619,417	5,815,661	(20.6)
Operating loss after tax and before deducting minority interests reported for the first half year	(1,391,706)	(1,654,920)	(15.9)
Sales reported for second half year	4,161,135	5,171,487	(19.5)
Operating loss after tax and before deducting minority interests reported for the second half year	(1,658,832)	(1,315,583)	26.1

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

Not applicable.

19. Disclosure of person occupying a managerial position in the issuer or any of its principals 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 2018

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