



CHINESE GLOBAL INVESTORS GROUP LTD.

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

Unaudited Financial Statements and Dividend Announcement for the First Quarter Ended 30 September 2014

14 November 2014

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "**Sponsor**"), for compliance with the relevant rules of Singapore Exchange Securities Trading Limited (the "**Exchange**"). The Sponsor has not independently verified the contents of this announcement.*

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The contact person for the Sponsor is:

Name: Mr Chew Kok Liang, Registered Professional, RHT Capital Pte. Ltd.

Address: Six Battery Road #10-01, Singapore 049909

Tel: (65) 6381 6769

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CHINESE GLOBAL INVESTORS GROUP LTD.

(Incorporated in the Republic of Singapore)

(Company Registration No. 196600189D)

First Quarter Financial Statements for the Financial Year Ended 30 September 2014**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-14	30-Sep-13	
		S\$	S\$	%
Revenue		3,438,876	3,054,658	12.6
Cost of Sales		(2,518,382)	(2,320,896)	8.5
Gross Profit		920,494	733,762	25.4
Other Income	i	737,431	2,739,239	(73.1)
Distribution Expenses		(236,698)	(188,121)	25.8
Administrative Expenses		(891,710)	(933,024)	(4.4)
Other Expenses	ii	(1,333,163)	(216,537)	515.7
Finance Costs		(59,029)	(22,705)	160.0
(Loss)/Profit before Income Tax	iii	(862,675)	2,112,614	(140.8)
Income Tax Expense		(23,343)	(22,878)	2.0
(Loss)/Profit for the Period		(886,018)	2,089,736	(142.4)
Other Comprehensive Income/(Loss):				
Currency translation differences arising from consolidation		(286,186)	(33,884)	744.6
Available-for-sale investments:				
- Fair value (loss)/gains		(417,483)	457,962	(191.2)
- Reclassification		(328,881)	(109,075)	201.5
Other comprehensive (loss)/income for the period, net of tax		(1,032,550)	315,003	(427.8)
Total Comprehensive (Loss)/ Income for the Period		(1,918,568)	2,404,739	(179.8)
(Loss)/Profit for the Period Attributable to Owners of the Company		(886,018)	2,089,736	(142.4)
Total Comprehensive (Loss)/Income Attributable to Owners of the Company		(1,918,568)	2,404,739	(179.8)

1(a)(i) Other income includes the following:

	<u>Group</u>	
	<u>First Quarter Ended</u>	
	30-Sep-14	30-Sep-13
	S\$	S\$
Allowance for doubtful debts written back	10,221	5,203
Bad debts recovered	7,073	-
Fair value gain on held-for-trading investments	-	344,809
Foreign exchange transaction gain	349,121	-
Gain on disposal of held-for-trading investments	-	330,082
Gain on disposal of other financial assets at fair value through profit or loss	-	1,858,186
Gain on disposal of available-for-sale investments	18,479	25,525
Interest income	189	194
Realised gain on available-for-sale investments	328,881	109,075
Sundry income	23,467	66,165
	737,431	2,739,239

1(a)(ii) Other expenses include the following:

	<u>Group</u>	
	<u>First Quarter Ended</u>	
	30-Sep-14	30-Sep-13
	S\$	S\$
Allowances for doubtful debts	11,739	11,820
Bad debts written off	886	390
Fair value loss on held-for-trading investments	1,185,090	-
Foreign exchange translation loss	-	186,921
Loss on disposal of held-for-trading investments	127,199	-
Sundry expense	8,249	17,406
	1,333,163	216,537

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

	<u>Group</u>	
	<u>First Quarter Ended</u>	
	30-Sep-14	30-Sep-13
	S\$	S\$
Amortisation of intangible assets	197	197
Depreciation of property, plant and equipment	28,467	37,061

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-Sep-14	30-Jun-14	30-Sep-14	30-Jun-14
	S\$	S\$	S\$	S\$
<u>ASSETS</u>				
<u>Non-current assets:</u>				
Property, plant and equipment	521,479	512,955	1,949	2,361
Intangible assets	4,093	4,291	-	-
Subsidiaries	-	-	963,340	963,340
Associates	-	-	-	-
Deferred tax assets	114,458	121,396	-	-
Total non-current assets	640,030	638,642	965,289	965,701
<u>Current assets:</u>				
Inventories	991,081	1,119,252	-	-
Gross amount due from contract customers	665,028	662,780	-	-
Trade and other receivables	6,058,451	5,506,976	840,562	941,925
Held-for-trading investments	4,637,950	5,109,110	-	-
Available-for-sale investments	1,617,196	2,665,564	-	-
Cash and bank balances	1,415,536	1,192,947	34,354	3,505
Total current assets	15,385,242	16,256,629	874,916	945,430
Total assets	16,025,272	16,895,271	1,840,205	1,911,131
<u>LIABILITIES AND EQUITY</u>				
<u>Current liabilities:</u>				
Trade and other payables	7,107,490	6,171,988	653,200	587,824
Gross amount due to contract customers	564,333	502,372	-	-
Lease obligations	60,000	76,308	-	-
Bank overdrafts	599,990	577,722	-	-
Income tax payable	489,619	459,948	-	-
Total current liabilities	8,821,432	7,788,338	653,200	587,824
<u>Non-current liabilities:</u>				
Lease obligations	60,419	44,972	-	-
Deferred tax liabilities	2,227	2,200	-	-
Total non-current liabilities	62,646	47,172	-	-
<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	(1,193,169)	(906,983)	-	-
Fair value reserve	722,100	1,468,464	-	-
Reserve on put option	49,247	49,247	-	-
Accumulated losses	(33,093,798)	(32,207,781)	(39,123,399)	(38,987,097)
Total equity	7,141,194	9,059,761	1,187,005	1,323,307
Total liabilities and equity	16,025,272	16,895,271	1,840,205	1,911,131
Working capital	6,563,810	8,468,291		
Total borrowings	720,409	699,002		
Gross gearing (times)*	0.10	0.08		
Net borrowings**	(695,127)	(493,945)		
Net gearing (times)*	(0.10)	(0.05)		

*Gross gearing = total borrowings/total equity; Net gearing = net borrowings/total equity

**Net borrowings = total borrowings - cash and bank balances

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 2014 S\$		As at 30 June 2014 S\$	
Secured	Unsecured	Secured	Unsecured
659,990	-	654,030	-

Amount repayable after one year

As at 30 September 2014 S\$		As at 30 June 2014 S\$	
Secured	Unsecured	Secured	Unsecured
60,419	-	44,972	-

Details of any collaterals

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

The bank overdrafts are secured on:

- (i) fixed deposits pledged; and
- (ii) corporate guarantees of the Company.

The finance leases are secured on the plant and equipment. The net book value of these plant and equipment as at 30 September 2014 is S\$139,110 (30 June 2014: S\$164,101).

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	
	<u>First Quarter Ended</u>	
	30-Sep-14	30-Sep-13
	S\$	S\$
Cash flows from operating activities:		
Profit/(Loss) before tax	(862,675)	2,112,614
Adjustments for:		
Amortisation of intangible assets	197	197
Allowances for doubtful debts written back	(10,221)	(5,203)
Allowances for doubtful debts	11,739	11,820
Bad debts written off	886	390
Bad debts recovered	(7,073)	-
Depreciation of property, plant and equipment	28,467	37,061
Gain on disposal of other financial assets at fair value through profit or loss	-	(1,858,186)
Held-for-trading investments:		
- Gain on disposal	-	(330,082)
- Net fair value loss/(gain) on investment	1,185,090	(344,809)
Available-for-sale investments		
- Gain on disposal	(18,479)	(25,525)
- Realised gain reclassified to profit or loss upon disposal	(328,881)	(109,075)
Interest expense	59,029	22,705
Interest income	(189)	(194)
Provision for warranties	15,000	17,400
Foreign exchange (gain)/loss	(16,374)	70,632
Operating gain/(loss) before working capital changes	56,516	(400,255)
Trade and other receivables	(532,396)	(836,322)
Gross amount due from/to contract customers	59,867	35,612
Inventories	137,399	(66,404)
Net increase in held-for-trading investments	(629,089)	(1,561,655)
Trade and other payables	916,537	1,512,969
Cash from/(used in) operations	8,834	(1,316,055)
Interest paid	(59,029)	(22,705)
Income taxes refund/(paid)	6,691	(757)
Net cash used in operating activities	(43,504)	(1,339,517)
Cash flows from investing activities:		
Interest received	189	194
Purchase of property, plant and equipment (Note 1)	(30,452)	(11,963)
Proceeds from disposal of available-for-sale investments	665,738	242,020
Proceeds from disposal of other financial assets at fair value through profit or loss	-	2,658,160
Net cash from investing activities	635,475	2,888,411

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>	
	First Quarter Ended	
	30-Sep-14	30-Sep-13
	S\$	S\$
Cash flows from financing activities:		
Net repayments of lease obligations	(860)	(10,079)
Repayment of promissory note (Note 2)	-	(2,409,747)
Restricted cash	-	12,060
Net cash used in financing activities	(860)	(2,407,766)
Effects of exchange rate changes in cash and cash equivalents	(390,790)	105,256
Net increase/(decrease) in cash and cash equivalents	200,321	(753,616)
Cash and cash equivalents at beginning of period	(144,356)	1,054,415
Cash and cash equivalents at end of period	55,965	300,799

	<u>Group</u>	
	Fourth Quarter Ended	
	30-Sep-14	30-Sep-13
	S\$	S\$
Cash at end of period includes the following:		
Cash and bank balances	1,415,536	1,406,931
Bank overdrafts	(599,990)	(361,261)
	815,546	1,045,670
Restricted cash (Note 3)	(759,581)	(744,871)
Cash and cash equivalents at end of period	55,965	300,799

Notes:

(1) Property, plant and equipment

For the 3 months ended 30 September 2014, the Group acquired a motor vehicle and plant and equipment with an aggregate cost of S\$30,452 (2013: S\$11,963) by means of cash.

(2) Repayment of promissory note

A repayment of S\$2.41 million was made on the remaining outstanding promissory note on the acquisition of ordinary shares in PME Group Limited ("PME") during the first quarter of FY2014.

(3) 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	Reserve on Put Options	Accumulated Losses	Total Equity
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Balance at 1 July 2013	40,310,404	346,410	4,179	(994,989)	2,463,562	49,247	(33,668,652)	8,510,161
Total comprehensive income/(expense) for the period	-	-	-	(33,884)	348,887	-	2,089,736	2,404,739
Balance at 30 September 2013	40,310,404	346,410	4,179	(1,028,873)	2,812,449	49,247	(31,578,916)	10,914,900
Balance at 1 July 2014	40,310,404	346,410	-	(906,983)	1,468,464	49,247	(32,207,781)	9,059,761
Total comprehensive income/(expense) for the period	-	-	-	(286,186)	(746,364)	-	(886,018)	(1,918,568)
Balance at 30 September 2014	40,310,404	346,410	-	(1,193,169)	722,100	49,247	(33,093,799)	7,141,193

COMPANY	Share Capital	Share Option Reserve	Accumulated Losses	Total
	S\$	S\$	S\$	S\$
Balance at 1 July 2013	40,310,404	4,179	(36,550,839)	3,763,744
Total comprehensive expense for the period	-	-	(16,879)	(16,879)
Balance at 30 September 2013	40,310,404	4,179	(36,567,718)	3,746,865
Balance at 1 July 2014	40,310,404	-	(38,987,097)	1,323,307
Total comprehensive expense for the period	-	-	(136,302)	(136,302)
Balance at 30 September 2014	40,310,404	-	(39,123,399)	1,187,005

1(d)(ii) Details of 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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

There were no 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 issue of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose in the three month period ended 30 September 2014.

The number of ordinary shares that may be issued upon exercise of all the outstanding share options under the Hitchins Employees' Share Option Scheme at 30 September 2014 was S\$Nil (as at 30 September 2013: 230,000).

Save as disclosed above, the Company has no other convertible securities.

As at 30 September 2014 and 30 September 2013, the Company had no treasury shares.

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 September 2014	30 June 2014
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.

The Company did not hold any treasury shares as at 30 September 2014 and 30 September 2013, the end of the corresponding period of the immediately preceding year. There were also no sales, transfer, disposal, cancellation and / or use of treasury shares during the first quarter ended 30 September 2014.

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 our 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 as at 30 June 2014.

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 the following revised FRSs or FRS amendments that are effective for annual periods beginning on or after 1 July 2014:

The following are the new or amended FRSs that are relevant to the Group:

Revised FRS 27	Separate Financial Statements
Revised FRS 28	Investments in Associates and Joint Ventures
FRS 110	Consolidated Financial Statements
Amendment to FRS 32	Offsetting of Financial Assets and Financial Liabilities
Amendment to FRS 19	Defined Benefit Plans: Employee Contributions

Improvements to FRSs (January 2014)

- Amendment to FRS 102 Share-based Payment
- Amendment to FRS 103 Business Combinations
- Amendment to FRS 108 Operating Segments
- Amendment to FRS 16 Property, Plant and Equipment
- Amendment to FRS 24 Related Party Disclosures
- Amendment to FRS 38 Intangible Assets

Improvements to FRSs (February 2014)

- Amendment to FRS 103 Business Combinations
- Amendment to FRS 113 Fair Value Measurement

The adoption of the above FRSs did not result in any substantial change to the Group's accounting policies nor have any significant impact on the financial statements.

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-14	30-Sep-13
(i) Based on weighted average number of ordinary shares in issue	(0.10) cents	0.23 cents
(ii) On a fully diluted basis	(0.10) cents	0.23 cents
(iii) Weighted average number of ordinary shares issued	915,977,500	915,977,500

Basic earnings per share ("EPS") is computed based on the weighted average number of ordinary shares in issue during the financial period. The weighted average number of ordinary shares represents the number of ordinary shares at the beginning of the financial period, adjusted for new ordinary shares issued during the financial period, multiplied by a time-weighted factor.

Options were not included in the calculation of diluted EPS in the preceding financial year because they are anti dilutive. The outstanding share options under the Hitchins Employees' Share Option Scheme at 30 September 2014 was S\$Nil (as at 30 September 2013: 230,000) with an exercise price of S\$0.08 per share in the preceding period.

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-14	30-Jun-14	30-Sep-14	30-Jun-14
Net asset value per ordinary share (in cents)	0.78 cents	0.99 cents	0.13 cents	0.14 cents
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.

Overview

For 1QFY2015, the Group reported revenue of S\$3.44 million which was 12.6% higher as compared to the same quarter last year. However, net loss attributable to shareholders for 1QFY2015 amounted to S\$0.89 million compared with a net profit of S\$2.09 million in 1QFY2014. Total comprehensive loss attributable to shareholders increased 179.8% to S\$1.92 million mainly due to lower fair value gain on available-for-sale investments recognised under comprehensive income net off realised gains on disposal of the Group's quoted investments. Earnings per share were (0.10) cents as compared to 0.23 cents in the corresponding quarter last year. Net asset value per share declined to 0.78 cents at 30 September 2014, from 0.99 cents at the previous year-end.

Financial Performance

Revenue

Revenue by geographic segments - 1QFY2015 and 1QFY2014

	1QFY2015	1QFY2014	+ / (-) Change %
	S\$'000	S\$'000	
Singapore	2,416	2,069	16.8%
Malaysia	744	586	27.0%
China	279	400	(30.3%)
Total	3,439	3,055	12.6%

The Group reported a 12.6% or S\$0.38 million increase in revenue from S\$3.05 million in 1QFY2014 to S\$3.44 million in 1QFY2015. The improved revenue performance stemmed from a somewhat better business environment in Singapore and Malaysia as compared to a more challenging 1QFY2014.

Cost of Sales

The Group's cost of sales increased by 8.5% or S\$0.19 million from S\$2.32 million in 1QFY2014 to S\$2.52 million in 1QFY2015.

The increase in the cost of sales was due to higher subcontracting costs for our waterproofing business in relation to the increase in sales for the quarter.

Gross Profit

The Group's gross profit for 1QFY2015 increased by 25.4% to S\$0.92 million mainly due to projects that are recognised at the completion stages.

Other Income

The Group's other income for 1QFY2015 decreased by approximately 73.1% or S\$2.00 million from S\$2.74 million in 1QFY2014 to S\$0.74 million in 1QFY2015.

There was a gain on disposal of all of CGI(HK)'s investment in quoted shares of The Hong Kong Building & Loan Agency Ltd ("HKBLA") amounting to S\$1.86 million in 1QFY2014. In addition, the Group also recorded a gain on disposal of held-for-trading investments amounting to S\$0.33 million and fair value gain on held for trading investments amounting to S\$0.34 million which none were recorded in 1QFY2015.

Distribution Expenses

The Group's distribution expenses, which come from the Group's waterproofing business, were up 25.8% to S\$0.24 million due to increased business development and marketing expenses associated with activities related to our waterproofing products and the increased in third party administrative fees for the establishing of the necessary sales and marketing infrastructures for our product offerings.

Administrative Expenses

The Group administrative expenses for 1QFY2015 decreased by 4.4% or S\$0.04 million from S\$0.93 million in 1QFY2014 to S\$0.89 million in 1QFY2015 due to the Group's effort to decrease its operational expenses. The waterproofing division's administrative expenses for 1QFY2015 remained stable compared with the previous quarter.

Other Expenses

The Group's other expenses increased by 515.7% or S\$1.12 million from S\$0.22 million in 1QFY2014 to S\$1.33 million in 1QFY2015.

The increase in other expenses for 1QFY2015 was due to the increase of S\$1.19 million in the fair value loss on held for trading investments which consisted mainly of quoted securities listed in Hong Kong in 1QFY2015.

Finance Cost

The Group's finance cost increased by 160% or S\$0.04 million from S\$0.02 million in 1QFY2014 to S\$0.06 million in 1QFY2015.

The increase in finance costs were primarily from the extension of trust receipts and the utilization of bank overdraft limit.

Income Tax Expense

Income tax expense remained stable in relation to the tax paid by our Malaysia waterproofing subsidiary in relation to the sales for the period.

Loss for the Period

The Group recorded a loss for the period of approximately S\$0.89 million in 1QFY2015 as compared to a profit of approximately S\$2.09 million mainly due to the unrealized fair value loss on held-for-trading investment of S\$1.19 million and loss on disposal of held-for-trading investment of S\$0.13 million.

The waterproofing business recorded a profit for the period of approximately S\$0.11 million mainly from the higher sales generated from our Malaysia subsidiaries.

Other Comprehensive Income

The other comprehensive income decreased 4 times or S\$1.35 million from an income of S\$0.32 million in 1QFY2014 to a loss of S\$1.03 million in 1QFY2015.

For 1QFY2015, a fair value loss of S\$0.42 million was recorded from the fair value changes of available-for-sale investments and the reclassification of fair value changes to profit or loss from equity on disposal of available-for-sale investment while a fair value gain of S\$0.46 million was recorded in 1QFY2014 thus resulting to the decrease in other comprehensive loss for the period.

Statement of Financial Position Review

Total Assets (Current and Non-Current)

Group's total assets decreased by 5.1% to S\$16.03 million as at 30 September 2014, from S\$16.9 million at the previous year-end. This was attributable mainly to an decrease in the mark-up of available-for-sale and held-for-trading investments.

Property, plant and equipment increased marginally by 1.7% to S\$0.52 million as at 30 September 2014, from S\$0.51 million at the previous year-end. This was due mainly to a 5 years renewal in the Certificate of Entitlement for a company lorry and replacement of obsolete computers.

Trade and other receivables increased by S\$0.55 million from S\$5.51 million as at 30 June 2014 to S\$6.06 million as at 30 September 2014, due mainly to the increase in retention sums and value of work progressively completed for waterproofing projects in their active stage of completion.

The fair value of **held-for-trading investments** decreased by S\$0.47 million from S\$5.11 million to S\$4.64 million as at 30 September 2014, after the purchase and disposal of investments totalling S\$2.30 million and S\$1.67 million, respectively, and fair value loss of S\$1.19 million after the mark-to-market of the quoted equities portfolio at the end of 1QFY2015.

Available-for-sale investments decreased by 39.3% or S\$1.05 million from S\$2.67 million as at 30 June 2014 to S\$1.62 million as at 30 September 2014 due to our disposal of PME shares totalling S\$0.67 million, wherein the Group recorded a gain on disposal of S\$0.02 million, realised gain on fair value change of S\$0.33 million and fair value gain in equity of S\$0.72 million as at 30 September 2014.

Total Liabilities (Current and Non-Current)

Total liabilities of S\$8.88 million at 30 September 2014 represented a 13.4% or S\$1.05 million increase from the previous year-end. This was due mainly to an increase in the amount owing to the securities firm by our Hong Kong subsidiary for the securities sold during the period. In addition, the waterproofing projects at their active stage of completion increased the trade payables from our waterproofing subsidiaries.

Equity

Shareholders' funds declined 21.2% to S\$7.14 million. The decrease reflected mainly the losses recognised, fair value reserve, as well as increase in foreign currency translation reserve due to the weakening of Hong Kong dollar. Share capital remained unchanged as there was no new share issued during the quarter.

Statement of Cash Flows

	1QFY2015	1QFY2014
	S\$'000	S\$'000
Net cash used in operating activities	(44)	(1,339)
Net cash from investing activities	635	2,888
Net cash used in financing activities	(1)	(2,408)
Net (decrease)/increase in cash and cash equivalents	200	(754)
Cash and cash equivalents for the period ended 30 Sept 2014	56	301
Free cash inflow for the period	591	1,549

*Free cashflow = operating cash flow + investing cash flow

Net cash used in operating activities was S\$0.04 million in 1QFY2015 as against S\$1.34 million in the same period last year. This comprised of cash used in operating activities before changes in working capital of S\$0.06 million, net working capital outflow of S\$0.05 million, and net cash outflow amounting to S\$0.05 million from interest and income tax paid. The net working capital outflow was a result of :

- (a) increase in trade and other receivables of S\$0.53 million, a decrease in amount due from/to contract customers of S\$0.06 million and decrease in inventories of S\$0.14 million;
- (b) net increase in held-for-trading investments of S\$0.63 million; and
- (c) net increase in trade and other payables of S\$0.92 million.

Net cash generated from investing activities amounted to S\$0.64 million, mainly from the disposal of the Group's quoted equity interest in PME amounting to S\$0.67 million.

Financing activities for the previous period accounted for a net cash outflow of S\$2.41 million due mainly to the full repayment of promissory note.

Overall, the Group's **cash and cash equivalents** decreased to S\$0.06 million as at 30 September 2014 from S\$0.30 million as at 30 September 2013. Free cash flow of S\$0.59 million was generated as compared to S\$1.55 million in the corresponding quarter last year.

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 equity markets may continue to come under pressure in the short term as the slowing growth in emerging economies continue to dent investor's appetite for risk. However, the improving outlook for US and Eurozone coupled with mini stimulus action by China will help to boost investors sentiment in relation to the Group's fund management activities.

With the launch of the Shanghai-Hong Kong Stock Connect Scheme scheduled on the 17th November 2014, we believe this should increase the scale and relevance of both markets and also improve market efficiency and the robustness of China's financial system in general. It not only provides a new source of funding for China's financial system, it should also lead to a more diversified and stable global investors base. This new platform will improve the liquidity for Hong Kong stock market and the Group believe this will aid in the valuation for the equities we have invested in.

Hence, the Group will continue to monitor the macro dynamics and will exercise caution in its lookout for business opportunities that are in line with its overall strategy for diversification and growth.

11. If a decision regarding dividend has been made:

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

Nil.

(b) (i) Amount per share cents

(ii) Previous corresponding period cents

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 the period ended 30 September 2014.

13. If the Group has obtained a general mandate from shareholders for IPTs, 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 shareholders mandate on Interested Person Transactions and no Interested Person Transactions being carried out for the period ended 30 September 2014.

14. Usage of Proceeds pursuant to Rule 704(30) of the Listing Manual Section B: Rules of Catalist

Not applicable.

BY ORDER OF THE BOARD

So Yuen Chun
Executive Director

14 November 2014

CHINESE GLOBAL INVESTORS GROUP LTD.

(Incorporated in Singapore)

(Company Registration Number: 196600189D)

Rule 705(5) – NEGATIVE ASSURANCE CONFIRMATION

Confirmation by the Board of Directors

Pursuant to Rule 705(5) of the SGX-ST Listing Manual Section B: Rules of Catalist, we, So Yuen Chun and Tan Sri Datuk Henry Chin Poy-Wu, being two Directors of Chinese Global Investors Group Ltd. (the “Company”), do hereby confirm on behalf of the Board of Directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the Group’s unaudited financial results for the first quarter ended 30 September 2014 to be false or misleading in any material aspect.

On behalf of the Board of Directors

So Yuen Chun
Executive Director

Tan Sri Datuk Henry Chin Poy-Wu
Non Executive Director/Chairman

Singapore, 14 November 2014