



CHINESE GLOBAL INVESTORS GROUP LTD.

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

Unaudited Financial Statements and Dividend Announcement for the Third Quarter and 9 Months Ended 31 March 2018

10 May 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)

Third Quarter Financial Statements for the Financial Period Ended 31 March 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 Third Quarter Ended		+/-	Group 9 months Ended		+/-
		31-Mar-18 (Unaudited)	31-Mar-17 (Unaudited)		31-Mar-18 (Unaudited)	31-Mar-17 (Unaudited)	
		S\$	S\$	%	S\$	S\$	%
Revenue		2,063,550	2,552,055	(19.1)	6,682,968	8,326,862	(19.7)
Cost of Sales		(1,699,931)	(2,052,258)	(17.2)	(5,692,016)	(6,514,277)	(12.6)
Gross Profit		363,619	499,797	(27.2)	990,952	1,812,585	(45.3)
Other Income	i	54,883	168,917	(67.5)	148,789	230,689	(35.5)
Distribution Costs		(248,290)	(262,090)	(5.3)	(745,621)	(782,076)	(4.7)
Administrative Expenses		(738,822)	(781,099)	(5.4)	(2,202,216)	(2,490,214)	(11.6)
Other Expenses	ii	(410,935)	(198,969)	106.5	(436,823)	(924,718)	(52.8)
Finance Cost		(73,635)	(4,436)	1,559.9	(197,601)	(41,899)	371.6
Loss before Income Tax	iii	(1,053,180)	(577,880)	82.2	(2,442,521)	(2,195,633)	11.2
Income Tax Expense		2,541	(8,349)	n.m	176	(45,515)	(100.4)
Loss for the Period from continued operations		(1,050,639)	(586,229)	79.2	(2,442,345)	(2,241,148)	9.0
Discontinued Operations							
Loss for the Period from discontinued operations		-	(79,324)		-	(101,784)	
Loss for the Period		(1,050,639)	(665,553)	57.9	(2,442,345)	(2,342,932)	4.2
Other Comprehensive Income/(Loss):							
Currency translation differences arising from consolidation		465,345	26,753	n.m	689,068	(164,193)	n.m
Other comprehensive income/(loss) for the period, net of tax		465,345	26,753	n.m	689,068	(164,193)	n.m
Total Comprehensive loss for the Period		(585,294)	(638,800)		(1,753,277)	(2,507,125)	
Loss for the Period Attributable to Owners of the Company		(1,050,639)	(665,553)	57.9	(2,442,345)	(2,342,932)	4.2
Total Comprehensive loss Attributable to Owners of the Company:		(585,294)	(638,800)	(8.4)	(1,753,277)	(2,507,125)	(30.1)

n.m – not meaningful

(i) Other income includes the following:

	<u>Group</u>		<u>Group</u>	
	<u>Third Quarter Ended</u>		<u>9 Months Ended</u>	
	<u>31-Mar-18</u>	<u>31-Mar-17</u>	<u>31-Mar-18</u>	<u>31-Mar-17</u>
	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>
Bad debts recovered	5,859	3,480	5,859	10,681
Gain on disposal of subsidiary	-	132,738	-	132,738
Gain on disposal of property, plant and equipment	112	-	32,650	-
Government grants/subsidies	13,597	13,103	24,754	24,033
Interest income	889	174	5,110	529
Sundry income	34,426	19,422	80,416	62,708
	<u>54,883</u>	<u>168,917</u>	<u>148,789</u>	<u>230,689</u>

(ii) Other expenses include the following:

	<u>Group</u>		<u>Group</u>	
	<u>Third Quarter Ended</u>		<u>9 Months Ended</u>	
	<u>31-Mar-18</u>	<u>31-Mar-17</u>	<u>31-Mar-18</u>	<u>31-Mar-17</u>
	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>
Allowances for doubtful debts	10,048	9,603	31,717	29,475
Fair value loss on held-for-trading investments	-	(469,517)	-	-
Foreign exchange translation loss	400,258	7,719	403,190	12,122
Loss on disposal of held-for-trading investments	-	647,327	-	781,306
Loss on disposal of property, plant and equipment	-	408	-	92,928
Provision for stock obsolescence	-	179	-	179
Realised loss on exchange difference	629	2,963	1,916	7,914
Sundry expenses	-	287	-	794
	<u>410,935</u>	<u>198,969</u>	<u>436,823</u>	<u>924,718</u>

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

	<u>Group</u>		<u>Group</u>	
	<u>Third Quarter Ended</u>		<u>9 Months Ended</u>	
	<u>31-Mar-18</u>	<u>31-Mar-17</u>	<u>31-Mar-18</u>	<u>31-Mar-17</u>
	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>
Amortisation of intangible assets	18,944	1,343	21,630	3,647
Depreciation of property, plant and equipment	35,196	29,485	97,578	90,540

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.

	Group		Company	
	31-Mar-18	30-Jun-17	31-Mar-18	30-Jun-17
	Unaudited	Audited	Unaudited	Audited
	S\$	S\$	S\$	S\$
ASSETS				
Non-current assets:				
Property, plant and equipment	316,377	366,003	-	-
Intangible assets	7,447	11,475	-	-
Subsidiaries	-	-	963,340	963,340
Total non-current assets	323,824	377,478	963,340	963,340
Current assets:				
Inventories	1,072,555	1,023,604	-	-
Gross amount due from contract customers	241,298	347,536	-	-
Trade and other receivables	5,100,226	5,194,810	160,900	254,973
Income tax recoverable	54,644	38,669	-	-
Available-for-sale investments	14,918	14,104	-	-
Cash and bank balances	1,760,615	1,550,365	(14,847)	1,935
Total current assets	8,244,256	8,169,088	146,053	256,908
Total assets	8,568,080	8,546,566	1,109,393	1,220,248
LIABILITIES AND EQUITY				
Current liabilities:				
Trade and other payables	5,919,491	5,254,419	600,149	692,325
Gross amount due to contract customers	340,101	84,470	-	-
Lease obligations	35,189	33,610	-	-
Bank overdrafts	159,393	245,865	-	-
Short term borrowings	397,627	387,706	-	-
Total current liabilities	6,851,801	6,006,070	600,149	692,325
Non-current liabilities:				
Lease obligations	23,718	51,688	-	-
Deferred tax liabilities	4,181	4,144	-	-
Long-term borrowings	2,899,686	1,942,693	-	-
Total non-current liabilities	2,927,585	1,998,525	-	-
Capital and reserves:				
Share capital	40,310,404	40,310,404	40,310,404	40,310,404
Statutory reserve	346,410	346,410	-	-
Foreign currency translation reserves	(209,712)	(898,780)	-	-
Fair value reserve	15,706	15,706	-	-
Accumulated losses	(41,674,114)	(39,231,769)	(39,801,160)	(39,782,481)
Total equity	(1,211,306)	541,971	509,244	527,923
Total liabilities and equity	8,568,080	8,546,566	1,109,393	1,220,248
Working capital	1,392,455	2,163,018		
Total borrowings	3,515,613	2,661,562		

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

Amount repayable in one year or less, or on demand

As at 31 March 2018 (Unaudited) S\$		As at 30 June 2017 (Audited) S\$	
Secured	Unsecured	Secured	Unsecured
194,582	397,627	279,475	387,706

Amount repayable after one year

As at 31 March 2018 (Unaudited) S\$		As at 30 June 2017 (Audited) S\$	
Secured	Unsecured	Secured	Unsecured
23,718	2,899,286	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\$159,393 (30 June 2017: S\$245,865) are secured on fixed deposits pledged.

Finance leases of S\$58,907 (30 June 2017: S\$85,298) are secured on the plant and equipment. The net book value of these plant and equipment as at 31 March 2018 was S\$108,191 (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		Group	
	<u>Third Quarter Ended</u>		<u>9 Months Ended</u>	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
	Unaudited S\$	Unaudited S\$	Unaudited S\$	Unaudited S\$
Cash flows from operating activities:				
Loss before income tax - continuing operations	(1,053,180)	(577,880)	(2,442,521)	(2,195,633)
Loss before income tax - discontinued operation	-	(79,324)	-	(101,784)
Loss before income tax, total	(1,053,180)	(657,204)	(2,442,521)	(2,297,417)
Adjustments for:				
Amortisation of intangible assets	1,342	1,343	4,028	3,647
Allowances for doubtful debts written back	-	(101,962)	-	(101,962)
Allowances for doubtful debts	10,048	9,603	31,717	29,475
Bad debts written off	-	179,632	-	186,299
Bad debts recovered	-	(17,882)	-	(10,681)
Depreciation of property, plant and equipment	33,137	29,485	95,519	90,540
Held-for-trading investments:				
- Loss on disposal	-	(469,517)	-	-
Foreign exchange loss	247,735	(112,749)	346,648	158,446
Interest expense	73,635	(5,107)	197,601	32,342
Interest income	(889)	(174)	(5,110)	(529)
Loss on disposal of held for trading investment	-	647,327	-	781,306
Loss on disposal of property, plant and equipment	-	408	-	92,928
Gain on disposal of subsidiary	-	(132,832)	-	(132,832)
Provision/(reversal) for warranties	-	75,000	30,000	45,000
Operating loss before working capital changes	(688,172)	(554,629)	(1,742,118)	(1,123,438)
Trade and other receivables	351,998	517,801	145,961	167,196
Amount due from/to contract customers	266,524	119,776	365,418	(53,652)
Inventories	139,241	103,311	(26,369)	(159,916)
Net decrease of held-for-trading investment	-	112,998	-	138,963
Trade and other payables	98,369	(347,126)	607,654	191,071
Cash from / (used in) operations	167,960	(47,869)	(649,454)	(839,776)
Interest paid	(3,227)	5,107	(92,606)	(32,342)
Income tax paid	(1,894)	33,943	(14,096)	(132,420)
Net cash from / (used in) operating activities	162,839	(8,819)	(756,156)	(1,004,538)

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		Group	
	<u>Third Quarter Ended</u>		<u>9 Months Ended</u>	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
	Unaudited	Unaudited	Unaudited	Unaudited
	S\$	S\$	S\$	S\$
Cash flows from investing activities:				
Interest received	889	174	5,110	529
Proceeds from disposal of property, plant and equipment	-	(3,073)	-	7,148
Proceeds from disposal of subsidiary	-	(8,930)	-	(8,930)
Purchase of property, plant and equipment	(1,261)	(11,742)	(17,566)	(24,271)
Purchase of intangible assets	-	-	-	(13,750)
Net cash used in investing activities	(372)	(23,571)	(12,456)	(39,274)
Cash flows from financing activities:				
Repayments of lease obligations	(8,798)	(8,796)	(46,660)	(29,388)
Repayments of long-term borrowing	(135,064)	(84,506)	(298,274)	(484,119)
Proceeds from long-term borrowing	436,537	464,443	1,357,688	1,489,643
Restricted cash	(592,836)	(271,589)	(593,321)	(271,869)
Net cash (used in)/ generated from financing activities	(300,161)	99,552	419,433	704,267
Net effects of exchange rate changes in cash and cash equivalents	(862)	10,577	9,380	(11,186)
Net decrease in cash and cash equivalents	(138,556)	77,739	(339,799)	(350,731)
Cash and cash equivalents at beginning of period	375,514	7,101	576,757	435,571
Cash and cash equivalents at end of period	236,958	84,840	236,958	84,840

Cash at end of period includes the following:

Cash and bank balances	1,760,615	1,307,725	1,760,615	1,307,725
Bank overdrafts	(159,393)	(257,246)	(159,393)	(257,246)
	1,601,222	1,050,479	1,601,222	1,050,479
Restricted cash (Note 1)	(1,364,264)	(965,639)	(1,364,264)	(965,639)
Cash and cash equivalents at end of period	236,958	84,840	236,958	84,840

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	Reserve on Put Options	Accumulated Losses	Total Equity
	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Balance at 1 January 2017 (unaudited)	40,310,404	346,410	(1,016,443)	15,706	49,247	(37,987,892)	2,830,558
Loss for the year	-	-	-	-	-	(665,553)	(665,553)
- Currency translation differences arising from consolidation	-	-	26,753	-	-	-	26,753
Total Comprehensive loss for the year	-	-	26,753	-	-	(665,553)	(638,800)
Balance at 31 March 2017 (Unaudited)	40,310,404	346,410	(989,690)	15,706	49,247	(38,653,445)	2,191,758
Balance at 1 January 2018 (unaudited)	40,310,404	346,410	(675,057)	15,706	-	(40,623,475)	(626,012)
Loss for the year	-	-	-	-	-	(1,050,639)	(1,050,639)
- Currency translation differences arising from consolidation	-	-	465,345	-	-	-	465,345
Total Comprehensive loss for the year	-	-	465,345	-	-	(1,050,639)	(585,294)
Balance at 31 March 2018 (Unaudited)	40,310,404	346,410	(209,712)	15,706	-	(41,674,114)	(1,211,306)

COMPANY	Share Capital	Accumulated Losses	Total
	S\$	S\$	S\$
Balance at 1 January 2017 (unaudited)	40,310,404	(39,697,276)	613,128
Total comprehensive loss for the period	-	(121,572)	(121,572)
Balance at 31 March 2017 (Unaudited)	40,310,404	(39,818,848)	491,556
Balance at 1 January 2018 (unaudited)	40,310,404	(39,663,871)	646,533
Total comprehensive loss for the period	-	(137,289)	(137,289)
Balance at 31 March 2018 (Unaudited)	40,310,404	(39,801,160)	509,244

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 31 March 2017	915,977,500	40,310,404
As at 31 March 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 31 March 2018 and 31 March 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 31 March 2018 and 31 March 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.

	31 March 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 period reported on.

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

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

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

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

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period, compared with those of the most recently audited financial statements for the financial year ended 30 June 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 period reported on.

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

	Group		Group	
	Third Quarter Ended		9 Months Ended	
	31-Mar-18 (Unaudited)	31-Mar-17 (Unaudited)	31-Mar-18 (Unaudited)	31-Mar-17 (Unaudited)
(i) Basic and fully diluted earnings/(loss) per share ("EPS/(LPS)") (Singapore cents)	(0.11)	(0.07)	(0.27)	(0.26)
(iii) Weighted average number of ordinary shares issued used in the computation of basic and diluted LPS	915,977,500	915,977,500	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	
	31-Mar-18	30-Jun-17	31-Mar-18	30-Jun-17
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Net asset/(liabilities) value per ordinary share (Singapore cents)	(0.13)	0.06	0.06	0.06
Total number of issued ordinary shares used in calculating net asset/(liabilities) value	915,977,500	915,977,500	915,977,500	915,977,500

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affect the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of Consolidated Statement of Comprehensive Income

Revenue

	3Q2018	3Q2017	+ / (-)	9M2018	9M2017	+ / (-)
	S\$'000	S\$'000		S\$'000	S\$'000	
Singapore	1,777	2,091	(15.0%)	5,765	6,640	(13.2%)
Malaysia	266	406	(34.5%)	836	1,429	(41.5%)
China	21	55	(60.0%)	82	258	(67.8%)
Total	2,064	2,552	(19.6%)	6,683	8,327	(20.3%)

Group revenue decreased by approximately S\$0.51 million or 19.6% quarter-on-quarter (“qoq”) from S\$2.57 million in 3Q2017 to S\$2.06 million in 3Q2018. This was largely due to lesser contracts secured in view of the prevailing competitive nature of our waterproofing business.

Gross Profit

	3Q2018	3Q2017	Change
Gross profit (S\$'million)	0.36	0.5	(27.2)%
Gross margin	17.6%	19.6%	

Gross profit in 3Q2018 declined 27.2% from S\$0.5 million in 3Q2017 to S\$0.36 million in 3Q2018, largely due to a lower gross margin of 17.6% in 3Q2018 when compared to 19.6% in 3Q2017. The decrease in gross margin in 3Q2018 was driven by higher raw material costs and lower margin yielding product mix.

Other Income

	3Q2018	3Q2017	Change
Other income (S\$'million)	54,883	168,917	(67.5)%

Other income decreased 67.5% from S\$0.17 million in 3Q2017 to S\$0.05 million in 3Q2018, mainly due to the absence of a gain on disposal of our subsidiary, Success Finance of S\$0.13 million in 3Q2017.

The Group’s loan financing operations, which was held through wholly-owned subsidiary Success Finance Limited had been discontinued upon the completion of the conditional sale and purchase agreement with a third party on 27 March 2017.

Distribution Costs

	3Q2018	3Q2017	Change
Distribution Costs (S\$'million)	0.25	0.26	(5.3)%
As a percentage of net sales	12.0%	10.3%	

Decrease in distribution costs of approximately 5.3% in 3Q2018 due mainly to a decrease in sales commission and oversea travel expenses from the waterproofing business, offset by higher sales and marketing activities.

Administrative Expenses

	3Q2018	3Q2017	Change
Administrative expenses (S\$'million)	0.74	0.78	(5.4)%
As a percentage of net sales	35.8%	30.6%	

Decrease in administrative expenses of 5.4% to S\$0.74 million in 3Q2018 from S\$0.78 million in 3Q2017 due mainly to a combination decrease in lower rental expenses for CGI (HK) Limited, lower computer expenses, entertainment expenses, staff salaries and bonus from waterproofing businesses, offset by higher depreciation of property, plant and equipment from approximately S\$0.03 million in 3Q2017 to S\$0.04 million 3Q2018 arising from additional purchase of property, plant and equipment during the financial period.

Other Expenses

Other expenses increased from S\$0.20 million in 3Q2017 to S\$0.41 million in 3Q2018, 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.

Finance Cost

Finance cost increased from S\$4,436 in 3Q2017 to S\$0.07 million in 3Q2018 due to higher long-term borrowings in 3Q2018.

Net Loss

Based on the above, the Group recorded a net loss of S\$1.05 million in 3Q2018 as compared to a net loss of S\$0.67 million for 3Q2017.

Review of Consolidated Statement of Financial Position

Non Current Assets

As at 31 March 2018, non-current assets stood at S\$0.32 million or approximately 3.8% of total assets, a decrease of approximately S\$0.05 million as compared to 30 June 2017.

Decrease in property, plant and equipment by S\$0.05 million to S\$0.32 million as at 31 March 2018 mainly due to the higher depreciation charged for the financial period, offset by the additional purchase of property, plant and equipment.

Decrease in intangible assets by S\$4,028 to S\$7,447 as at 31 March 2018 was mainly due to amortization over the financial period reported on.

Current Assets

As at 31 March 2018, current assets stood at S\$8.24 million or approximately 96.2% of total assets, an increase of approximately S\$0.07 million as compared to S\$8.17 million as at 30 June 2017.

Increase in inventories of S\$0.05 million to S\$1.07 million as at 31 March 2018 was mainly due to higher material cost vis-à-vis the financial period as at 30 June 2017.

Decrease in trade and other receivables by S\$0.09 million to S\$5.10 million as at 31 March 2018 due mainly to the net collection from completed construction projects offset by the decrease in retention sums for uncompleted projects from waterproofing business.

Decrease in gross amount due from contract customers by S\$0.11 million to S\$0.24 million as at 31 March 2018 due mainly to higher claims certification works from certain customers from our waterproofing business which we realised under our operating expenses.

Non-Current Liabilities

As at 31 March 2018, non-current liabilities amounted to S\$2.93 million or approximately 30% of total liabilities, an increase of S\$0.93 million compared to 30 June 2017.

Long term borrowings increased by approximately S\$0.96 million to S\$2.93 million as at 31 March 2018 mainly due to an increase in unsecured loan undertaken by our Hong Kong subsidiary – CGI (HK) Limited.

Current Liabilities

As at 31 March 2018, current liabilities amounted to S\$6.85 million or approximately 70.1% of total liabilities.

Trade and other payables increased by 12.7% or S\$0.67 million to S\$5.92 million as at 31 March 2018 due mainly to net increase in accrued trade payables arising from subcontractor for several completed or nearly completed waterproofing projects.

Gross amount due to contract customers increased by S\$0.26 million to S\$0.34 million as at 31 March 2018 due mainly to advance payments from customer for certain claims certification works from waterproofing business.

Equity

Shareholders' funds decreased 323.5% to deficit of S\$1.21 million as at 31 March 2018 from S\$0.54 million as at 30 June 2017. The decrease reflected higher losses recognized for the current financial period as explained above. Nevertheless, the Group had a positive net working capital of S\$1.39 million as at 31 March 2018, 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 falls due.

Review of Consolidated Statement of Cash Flows

3Q2018

	3Q2018	3Q2017
	S\$'000	S\$'000
Net cash from / (used in) operating activities	163	(9)
Net cash from / (used in) investing activities	-	(24)
Net cash (used in) / from financing activities	(300)	100
Net (decrease) / increase in cash and cash equivalents	(139)	78
Cash and cash equivalents for the financial period	237	85

Net cash from operating activities

For the 3Q2018, the Group recorded a net cash inflow from operating activities of S\$0.16 million as compared to S\$8,819 net cash outflow in the previous corresponding period ended 31 March 2017. This was mainly due to a net loss before tax, offset by adjustments for foreign exchange loss, interest expense and working capital changes of S\$0.52 million.

Net cash used in investing activities

For the 3Q2018, the Group recorded net cash outflow from investing activities of S\$372, a decrease of S\$0.02 million as compared to previous corresponding period ended 31 March 2017. This is mainly due to the absence of proceeds from disposal of subsidiary and purchase of property, plant and equipment.

Net cash from financing activities

For the 3Q2018, the Group recorded net cash outflow from financing activities of S\$0.30 million as compared to net cash inflow of S\$0.10 million in previous corresponding period ended 31 March 2017. This was due mainly to net repayment of long-term borrowings and increase in restricted cash.

Based on the above, the Group's net cash and cash equivalents increased to S\$0.24 million as at 31 March 2018 from S\$0.09 million at 31 March 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.

The outlook for the Group's waterproofing business will remain challenging. The Group will monitor the market environment closely and endeavor to mitigate any adverse challenges faced whilst adhering to cost control discipline. Whilst the Company continues to identify new core assets, it is also considering suitable opportunities 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 3Q2018.

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

Not applicable.

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

No dividend has been declared or recommended for 3Q2018.

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

No dividend has been declared / recommended for the financial period ended 31 March 2018.

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

The Company does not have a general mandate from shareholders for IPTs and no IPTs of S\$100,000 and above were carried out for the financial period ended 31 March 2018.

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

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

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

The Board of Directors of the Company confirms that to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements of the Company and the Group for the financial period ended 31 March 2018 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

So Yuen Chun
Executive Director

10 May 2018