NGSC LIMITED

Co. Reg. No.196400100R

Unaudited Full Year Financial Statements for the Financial Year Ended 31 March 2020

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Unaudited Consolidated Statement of Comprehensive Income for the Financial Year Ended 31 March 2020

		Group		
		Financial year ended		
	Note	31/03/2020	31/03/2019	%
		(unaudited)	(Audited)	
		S$'000	S$'000	+/(-)
Revenue		**-**	**-**	n.a
Cost of sales		-	-	n.a
Gross profit		**-**	**-**	
Other income	(i)	3,335	2,435	37
Other expense	(i)	(33)	(793)	(96)
Administrative expenses		(1,781)	(1,615)	10
Finance expenses, net		(1,898)	(369)	100
Share of profit of joint venture		1,763	880	100
Profit before tax		**1,386**	**538**	
Income tax credit		116	-	100
Profit for the financial year	(iii)	**1,502**	**538**	
Attributable to:				
Owners of the Company		1,548	588	100
Non-controlling interests		(46)	(50)	(8)
		1,502	**538**	n.m
Other comprehensive income:				
Currency translation differences arising from consolidation		493	587	(16)
Total comprehensive income		**1,995**	**1,125**	77
Total comprehensive profit attributable to:				
Owners of the Company		2,041	1,175	74
Non-controlling interests		(46)	(50)	(8)
		1,995	**1,125**	77

Note:
n.a. – not applicable
n.m. – not meaningful

1 (a)(ii) Notes to Consolidated Statement of Comprehensive Income

	Group Financial year ended 31/03/2020 (unaudited) S$'000	31/03/2019 (restated) S$'000	% +/(-)
(i) Other income/(expense)			
Bad debts written off	(33)	-	(100)
Interest income	119	222	(46)
Gain on disposal of subsidiaries	2,723	-	100
Fair value gain on financial derivatives	-	25	(100)
Provision for doubtful debts - joint venture	-	(793)	(100)
Realised gain on financial derivatives	-	102	(100)
Reversal of impairment loss in joint venture	-	2,050	(100)
Reversal of impairment loss of other receivables	163	-	100
Non trade payables written back	330	-	100
Others	-	36	100
	3,302	1,642	100
(iii) Total profit for the financial year is derived after crediting /(charging) the following:			
Depreciation of plant and equipment	(6)	(8)	(25)
Foreign exchange loss, net	(1,898)	(369)	100

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	
	As at 31/03/2020 (unaudited) S$'000	As at 31/03/2019 (Audited) S$'000	As at 31/03/2020 (unaudited) S$'000	As at 31/03/2019 (restated) S$'000
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	145,623	145,623	145,623	145,623
Treasury shares	(1,219)	(1,219)	(1,219)	(1,219)
	144,404	144,404	144,404	144,404
Other reserves				
Capital reserve	(169)	(169)	(169)	(169)
Foreign currency translation reserves	2,632	2,139	-	-
Settlement shares	(1,140)	(1,140)	(1,140)	(1,140)
	1,323	830	(1,309)	(1,309)
Accumulated losses	(126,676)	(128,224)	(139,352)	(136,251)
Non-controlling interest	(70)	(24)	-	-
TOTAL EQUITY	18,981	16,986	3,743	6,844
ASSETS				
Non-current assets				
Plant and equipment	2	8	2	6
Subsidiaries	-	-	26,877	26,877
Joint ventures	4,521	2,800	-	-
Current assets				
Other receivables, deposits and prepayments	93	334	87	102
Due from subsidiaries (non-trade)	-	-	12,994	686
Derivative assets	-	600	-	-
Income tax payable	2	-	-	-
Cash and bank balances	15,463	16,661	2,493	16,516
	15,558	17,595	15,574	17,304
TOTAL ASSETS	20,081	20,403	42,453	44,187
LIABILITIES				
Current liabilities				
Trade payables	11	217	-	-
Other payables and accruals	1,089	2,386	993	1,395
Due to subsidiaries (non-trade)	-	-	37,717	35,948
Income tax payable	-	814	-	-
	1,100	3,417	38,710	37,343
TOTAL LIABILITIES	1,100	3,417	38,710	37,343
NET ASSETS	18,981	16,986	3,743	6,844

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

Amount repayable in one year or less, or on demand

As at 31/03/2020		As at 31/03/2019 (audited)	
Secured	**Unsecured**	**Secured**	**Unsecured**
S$'000	S$'000	S$'000	S$'000
-	-	-	-

Amount repayable after one year

As at 31/03/2020		As at 31/03/2019 (audited)	
Secured	**Unsecured**	**Secured**	**Unsecured**
S$'000	S$'000	S$'000	S$'000
-	-	-	-

Details of any collaterals

Not applicable.

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

	Group	
	Financial year ended	
	31/03/2020	31/03/2019
	(unaudited)	(restated)
	S$'000	S$'000
Cash flows from operating activities		
Profit before tax	1,502	538
Adjustments:		
Depreciation of plant and equipment	6	8
Disposal of subisidiaries	(2,723)	-
Impairment loss on other receivables	-	793
Reversal of impairment loss in investment in joint ventures	-	(2,050)
Reversal of impairment loss of other receivables	(163)	-
Fair value gain on financial derivatives	-	(25)
Interest income	(119)	-
Share of profit of joint venture	(1,763)	(880)
Unrealised foreign exchange differences	(281)	611
Operating loss before working capital changes	(3,541)	(1,005)
Other receivables, deposits and prepayments	404	(493)
Trade payables	(206)	-
Other payables and accruals	(1,297)	60
Interest income	119	-
Net cash used in operating activities	(4,521)	(1,438)
Cash flows from investing activities		
Purchase of plant and equipment	-	(3)
Gain on disposal of subsidiaries	2,723	-
Refund of deposits placed with broker for margin call	600	-
Other receivables	-	2,782
Net cash generated from investing activities	3,323	2,779
Cash flow from financing activity		
Other payables and accruals	-	57
Net cash generated from financing activity	-	57
Net (decrease)/increase in cash and cash equivalents	(1,198)	1,398
Cash and cash equivalents at beginning of financial year	16,661	15,261
Effect of exchange rate changes on cash and cash equivalents	-	2
Cash and cash equivalents at end of financial year	15,463	16,661

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.

Unaudited Statement of Changes In Equity for the Financial Year ended 31 March 2020

Group	Share capital	Treasury shares	Capital reserve	Translation reserve	Settlement shares	Non-controlling interest	Accumulated losses	Total Equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 April 2019, (audited)	**145,623**	**(1,219)**	**(169)**	**2,139**	**(1,140)**	**(24)**	**(128,224)**	**16,986**
Profit for the financial year	-	-	-	-	-	(46)	1,548	1,502
Other comprehensive income, net of tax	-	-	-	493	-	-	-	493
Total comprehensive income for the financial year	-	-	-	493	-	(46)	1,548	1,995
Balance at 31 March 2020 (unaudited)	**145,623**	**(1,219)**	**(169)**	**2,632**	**(1,140)**	**(70)**	**(126,676)**	**18,981**

	Share capital	Treasury shares	Capital reserve	Translation reserve	Settlement shares	Non-controlling interest	Accumulated losses	Total Equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 April 2018, (restated)	**145,623**	**(1,219)**	**(169)**	**1,552**	**(1,140)**	**26**	**(128,812)**	**15,861**
Profit for the financial year	-	-	-	-	-	(50)	588	538
Other comprehensive income, net of tax	-	-	-	587	-		-	587
Total comprehensive income for the financial year	-	-	-	587	-	(50)	588	1,125
Balance at 31 March 2019 (audited)	**145,623**	**(1,219)**	**(169)**	**2,139**	**(1,140)**	**(24)**	**(128,224)**	**16,986**

Unaudited Statement of Changes In Equity for the Financial Year ended 31 March 2020 (cont'd)

Company	Share capital	Treasury shares	Capital reserve	Settlement shares	Accumulated losses	Total Equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 April 2019, (audited)	**145,623**	**(1,219)**	**(169)**	**(1,140)**	**(136,251)**	**6,844**
Profit for the financial year	-	-	-	-	(3,101)	(3,101)
Balance at 31 March 2020 (unaudited)	**145,623**	**(1,219)**	**(169)**	**(1,140)**	**(139,352)**	**3,743**

	Share capital	Treasury shares	Capital reserve	Settlement shares	Accumulated losses	Total Equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 April 2018, (restated)	**145,623**	**(1,219)**	**(169)**	**(1,140)**	**(135,837)**	**7,258**
Loss for the financial year	-	-	-	-	(414)	(414)
Total comprehensive loss for the financial year	-	-	-	-	(414)	(414)
Balance at 31 March 2019 (audited)	**145,623**	**(1,219)**	**(169)**	**(1,140)**	**(136,251)**	**6,844**

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, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at 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 of 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.

Issued ordinary shares	Number of shares 2020	2019
Balance at 31 March	6,448,935,828	6,448,935,828

Outstanding convertibles

The Company did not have any outstanding share convertibles as at 31 March 2020 and 31 March 2019.

Treasury shares and subsidiary holdings

Treasury shares as at 31 March 2020 was 24,200,000 (31 March 2019: 24,200,000) treasury shares held by the Company.

The subsidiary holdings as at 31 March 2020 and 31 March 2019 is NIL.

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.

	As at 31/03/2020	As at 31/03/2019
Total number of issued shares excluding treasury shares	6,424,735,828	6,424,735,828

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.

Treasury shares	Number of ordinary shares 2020	2019
Balance at 31 March	24,200,000	24,200,000

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.

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

The figures have not been audited or reviewed by the Company's auditors.

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

The Group has applied accounting policies and method of computation in the financial statements for the current reporting period consistent with those of the audited financial statements for the year ended 31 March 2019.

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.

Not applicable.

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

	Group Financial year ended 31/03/2020 (cents)	 31/03/2019 (cents) (audited)
Profit per share attributable to the equity holders of the Company - basic	0.03	0.02

As the Company does not have any outstanding share convertibles for the financial year ended 31 March 2020 and 31 March 2019, the diluted loss per share is the same as basic loss per share.

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	
	As at 31/03/2020 (cents)	As at 31/03/2019 (audited) (cents)	As at 31/03/2020 (cents)	As at 31/03/2019 (audited) (cents)
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares	0.30	0.26	0.06	0.12

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 affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Statement of Comprehensive Income

The Group for the financial year ended 31 March 2020 ("**FY2020**") recorded a share of profit of S$1.8 million from its joint venture, as compared to the share of profit of S$0.9 million for the financial year ended 31 March 2019 ("**FY2019**"). This highlights the huge improvements the joint venture continues to maximise in its satellite broadband products and services in the Peoples Republic of China region.

For FY2020 the Group also recognised a foreign exchange loss of S$1.9 million compared to a foreign exchange loss of S$0.4 million for FY2019. This was mainly due to the Group's exposure on its foreign currency assets against the Singapore dollar.

The Group recorded other income of S$3.3 million for FY2020. Included in other income are interest received amounting to approximately S$0.1 million for FY2020 arising from fixed deposits placed with licensed banks which derives an interest ranging from 1.50% to 1.87% per annum, gain on disposal of subsidiaries amounting to S$2.7 million, non-trade payables written back and reversal of impairment loss of other receivables.

Statement of Comprehensive Income (Cont'd)

Other expense of S$0.03 million was lower in FY2020, as compared to S$0.8 million in FY2019, due to a provision for doubtful debts in joint venture for the fund management business of approximately $0.8 million made in FY2019. There were no provision made for joint venture for FY2020.

Overall, the Group recorded a net profit of S$2.0 million for FY2020 as compared to a net loss of S$1.1 million in FY2019.

Statement of Financial Position

As at 31 March 2020, the value of plant and equipment amounted to S$2,000, compared to S$8,000 as at 31 March 2019. This took into account a S$6,000 depreciation of assets.

The share of profit from the Group's joint venture for FY2020 amounting to S$1.8 million, resulted higher in the net carrying value of the joint venture as at 31 March 2020 amounted to S$4.5 million compared to its fair value of S$2.8 million in FY2019. The improved result is driven by the increased demand for the equipment and services supplied by its joint venture in the People's Republic of China.

As at 31 March 2020, the Group's derivative asset decreased to approximately S$0.6 million as compared to 31 March 2019. This is due to the withdrawal of the deposits placed with broker for margin call.

Other receivables decreased by S$0.2 million, mainly due to the disposal of subsidiaries during the financial year ended 31 March 2020.

Other payables and accruals as at 31 March 2020 were lower at S$1.1 million, compared to S$2.4 million as at 31 March 2019. The other payables and accruals mainly consists of provision of directors' fees, accruals and third party payables amounting to approximately S$0.8 million, S$0.2 million and S$0.1 million respectively.

Cash Flow

The Group's cash and cash equivalents as at 31 March 2020 stood at S$15.5 million.

Update of Watch-List Status

As at the date of this announcement, the Company is on the watch-list ("**Watch-List**") pursuant to Rule 1311 of the Listing Manual ("**Listing Manual**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). Under Rule 1314 of the Listing Manual of the SGX-ST, an issuer on the Watch-List may apply to the SGX-ST for its removal from the Watch-List if it satisfies any one of the following requirements:-

(1) the issuer records consolidated pre-tax profit for the most recently completed financial year (based on the latest full year consolidated audited accounts, excluding exceptional or non-recurrent income and extraordinary items) and has an average daily market capitalisation of $40 million or more over the last 120 market days on which trading was not suspended or halted. For the purpose of this rule, trading is deemed to be suspended or halted if trading is ceased for the full market day; or

(2) the issuer satisfies the SGX-ST Mainboard admission criteria, either under Rule 210(2)(a) or Rule 210(2)(b).

SGX-ST had on 1 December 2010 granted to the Company an extension until 1 June 2012, to meet the requirements to exit the Watch-List (which are set out under Listing Rule 1314).

The Company had, in April 2018, made an application to SGX-ST for a further extension to meet the requirements to exit the Watch-List and will update the shareholders on this status as and when appropriate.

On 3 December 2019, the Company has received a Notification of Delisting (the ''Notification'') from the SGX-ST. The following was stated in the Notification:-

(a) The Company has not met the requirements under Listing Rule 1314 for its removal from the Watch-list and hence, SGX-ST will proceed to delist the Company pursuant to Listing Rule 1315;

(b) The issuer or its controlling shareholder(s) must comply with the Listing Rule 1309 which requires the Company or its controlling shareholder(s) to provide a reasonable exit offer to shareholders.

The Company shall inform SGX-ST on the exit offer proposal as soon as practicable and no later than one month from the date of the Notification. The Company shall provide SGX-ST updates via SGXNET on the status of the Company's exit offer proposal; and

(c) Trading in the Company's securities will continue until 5.16 pm, 2 January 2020 and will remain suspended from 9am, 3 January 2020 until completion of the exit offer.

The Company had, on 23 December 2019, made an application to SGX-ST for an appeal on the notification and will update the shareholders on this as and when appropriate.

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

Not applicable. No forecast or prospect statement has been previously disclosed to the shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The group noted that the operating environment will remain highly competitive going forward. The onset of the COVID-19 situation is expected to have an impact on project rollouts and the Group will work hard on its businesses when the COVID-19 associated travel restrictions are lifted. The Group will remain vigilant on costs, credit and cash management in response to the business environment as it carries out its expansion strategies.

11. If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended) – None

(b) (i) Amount per share – Not applicable

(ii) Previous corresponding period - Not applicable

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

(d) The date the dividend is payable – Not applicable

(e) The date on which Registrable Transfers received by the Company (up to 5.00pm) 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 year ended 31 March 2020. The Company did not declare any dividend as the continuing operations of the Company was in a loss-making position.

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 did not seek nor obtain a shareholders' general mandate for interested person transactions.

14. Confirmation that the issuer has procured undertaking from all of its directors and executive officers (in the format as set out in Appendix 7.7) under Rule 720 (1).

Yes.

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.

Segment Information – Geographical Segment

2020	Building, operating and leasing USO equipment, provision data center and connectivity service $'000	Unallocated $'000	Group $'000
Revenue			
External sales	-	-	-
Segment results			
Loss from operations	52	(1,833)	(1,781)
Other expenses	(819)	(1,112)	(1,931)
Other income	-	3,335	3,335
Share of profit of joint venture	1,763	-	1,763
Profit before tax			1,386
Income tax credit			116
Profit after tax			1,502
Segment assets representing consolidated total assets	2,741	17,340	20,081
Segment liabilities	963	137	1,100
Unallocated liabilities			
- Income tax payable	-	-	-
Consolidated total liabilities			1,100
Non-current assets	4,521	2	4,523
Other segment items			
Depreciation of property, plant and equipment	-	6	6
Reversal of impairment loss of other receivables	-	163	163

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Segment Information – Geographical Segment (Cont'd)

2019	Building, operating and leasing USO equipment, provision data center and connectivity service $'000	Unallocated $'000	Group $'000
Revenue			
External sales	-	-	-
Segment results			
Loss from operations	(2)	(1,613)	(1,615)
Other expenses	(264)	(898)	(1,162)
Other income	-	2,435	2,435
Share of loss of joint venture	880	-	880
Loss before tax			538
Income tax credit			-
Loss after tax			538
Segment assets representing consolidated total assets	2,941	17,462	20,403
Segment liabilities	947	1,656	2,603
Unallocated liabilities			
- Income tax payable	697	117	814
Consolidated total liabilities			3,417
Non-current assets	2,802	6	2,808
Other segment items			
Depreciation of property, plant and equipment	-	8	8
Impairment loss on other receivables	-	793	793
Reversal of impairment loss on investment in joint ventures	-	(2,050)	(2,050)

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

Please refer to preceding paragraph 8.

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

	Group	
	Financial year ended	
	31/03/2020 (unaudited) S$'000	31/03/2019 (audited) S$'000
Ordinary	-	-
Preference	-	-
Total	-	-

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement.

There is no person occupying a managerial position in the Company or any of the Company's principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company during the financial year ended 31 March 2020.

By Order of the Board
NGSC Limited

Lye Meng Yiau
Managing Director

28 May 2020