

## Unaudited Second Quarter Financial Statements for the Financial Period Ended 30 September 2019

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 Period Ended 30 September 2019

	Group Half year ended			Group Second quarter ended			
	Note	30/09/2019	30/09/2018	%	30/09/2019	30/09/2018	%
		(unaudited)	(unaudited)		(unaudited)	(unaudited)	
	S\$'000	S\$'000	+/-)		S\$'000	S\$'000	+/-)
<b>Revenue</b>		-	-	n.a.	-	-	n.a.
Cost of sales		-	-	n.a.	-	-	n.a.
<b>Gross profit</b>		-	-		-	-	
Other income	(i)	29	78	100	29	68	100
Other expense		-	(770)	(100)	-	(770)	(100)
Administrative expenses		(701)	(820)	(15)	(200)	(408)	(51)
Finance expenses, net		(3)	(880)	(100)	(157)	(986)	(84)
Share of (loss)/profit of joint venture		(538)	(537)	0	9	(73)	(100)
<b>Loss before tax</b>		<b>(1,213)</b>	<b>(2,929)</b>		<b>(319)</b>	<b>(2,169)</b>	
Income tax expense		(5)	-	(100)	(5)	-	(100)
Loss for the financial period	(ii)	<b>(1,218)</b>	<b>(2,929)</b>		<b>(324)</b>	<b>(2,169)</b>	
<b>Attributable to:</b>							
Owners of the Company		(1,224)	(2,907)	(58)	(331)	(2,158)	(85)
Non-controlling interests		6	(22)	n.m.	7	(11)	n.m.
<b>Loss for the financial period</b>		<b>(1,218)</b>	<b>(2,929)</b>		<b>(324)</b>	<b>(2,169)</b>	
<b>Other comprehensive loss:</b>							
Currency translation differences arising from consolidation		77	1,381	(94)	(193)	1,537	(100)
<b>Total comprehensive loss</b>		<b>(1,141)</b>	<b>(1,548)</b>		<b>(517)</b>	<b>(632)</b>	
<b>Total Comprehensive loss attributable to:</b>							
Owners of the Company		(1,147)	(1,526)	(25)	(524)	(621)	(16)
Non-controlling interests		6	(22)	n.m.	7	(11)	n.m.
		<b>(1,141)</b>	<b>(1,548)</b>		<b>(517)</b>	<b>(632)</b>	

Note:

n.a. – not applicable

n.m. – not meaningful

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

	Group			Group		
	Half year ended		%	Second quarter ended		%
	30/09/2019	30/09/2018		30/09/2019	30/09/2018	
(unaudited)	(unaudited)		(unaudited)	(unaudited)		
	S\$'000	S\$'000	+ / (-)	S\$'000	S\$'000	+ / (-)
<b>(i) Other income</b>						
Interest income/ (expense)	16	20	(20)	16	18	(11)
Gain on disposal of subsidiary	13	-	100	13	-	100
Fair value loss on financial derivatives	-	24	(100)	-	62	(100)
Realised gain/(loss) on financial derivatives	-	29	(100)	-	(13)	(100)
Others	-	5	(100)	-	1	(100)
	<hr/>	<hr/>		<hr/>	<hr/>	
	29	78	100	29	68	100
	<hr/>	<hr/>		<hr/>	<hr/>	
<b>(ii) Total loss for the financial period is derived after crediting /(charging) the following:</b>						
Depreciation of plant and equipment	(3)	(4)	(25)	(2)	(2)	-
Impairment loss on investment in joint venture	-	(770)	100	-	(770)	100
Foreign exchange (loss)/ profit, net	(3)	(880)	(100)	(157)	(986)	(84)
	<hr/>	<hr/>		<hr/>	<hr/>	

**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 30/09/2019 (unaudited)	As at 31/03/2019 (audited)	As at 30/09/2019 (unaudited)	As at 31/03/2019 (audited)
	S\$'000	S\$'000	S\$'000	S\$'000
<b>EQUITY</b>				
<b>Capital and reserves attributable to equity holders of the Company</b>				
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
<b>Other reserves</b>				
Capital reserve	(169)	(169)	(169)	(169)
Settlement shares	(1,140)	(1,140)	(1,140)	(1,140)
Foreign currency translation reserves	2,211	2,139	-	-
	902	830	(1,309)	(1,309)
Accumulated losses	(129,443)	(128,224)	(136,898)	(136,251)
<b>Equity attributable to owners of the Company</b>	15,863	17,010	6,197	6,844
Non-controlling interests	(18)	(24)	-	-
<b>TOTAL EQUITY</b>	15,845	16,986	6,197	6,844
<b>ASSETS</b>				
<b>Non-current assets</b>				
Plant and equipment	4	8	4	6
Subsidiaries	-	-	26,877	26,877
Joint ventures	2,219	2,800	-	-
<b>Current assets</b>				
Other receivables, deposits and prepayments	268	334	147	102
Due from subsidiaries (non-trade)	-	-	450	686
Cash and cash equivalents	16,459	16,661	16,317	16,516
Derivative	-	600	-	-
	16,727	17,595	16,914	17,304
<b>TOTAL ASSETS</b>	18,950	20,403	43,795	44,187
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade payables	133	217	-	-
Other payables and accruals	2,139	2,386	1,108	1,395
Due to subsidiaries (non-trade)	-	-	36,490	35,948
Income tax payable	833	814	-	-
	3,105	3,417	37,598	37,343
<b>TOTAL LIABILITIES</b>	3,105	3,417	37,598	37,343
<b>NET ASSETS</b>	15,845	16,986	6,197	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**

<b>As at 30 September 19</b>		<b>As at 31 March 19 (audited)</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
-	-	-	-

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**Amount repayable after one year**

<b>As at 30 September 19</b>		<b>As at 31 March 19 (audited)</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
-	-	-	-

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**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 Half year ended		Group Second quarter ended	
	30/09/2019 (unaudited)	30/09/2018 (unaudited)	30/09/2019 (unaudited)	30/09/2018 (unaudited)
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from operating activities</b>				
Loss before tax	(1,218)	(2,929)	(573)	(2,169)
Adjustments:				
Impairment loss on investment in joint venture	-	770	-	770
Depreciation	3	4	2	2
Fair value gain on financial derivative	-	(24)	-	(62)
Realised gain/(loss) on financial derivative	-	(29)	-	13
Reversal of impairment of other receivables	(163)	-	(163)	-
Share of loss/(profit) of joint venture	538	537	(9)	73
Unrealised foreign exchange differences	140	1,369	125	1,249
Interest income	(16)	(20)	(16)	(17)
Operating loss before working capital changes	(716)	(322)	(634)	(141)
Other receivables, deposits and prepayments	229	1,822	135	463
Trade payables	(84)	-	(86)	-
Other payables and accruals	(247)	(113)	76	(155)
Interest received	16	20	16	17
Cash (used in)/generated from operations	(802)	1,407	(493)	184
Income tax paid	-	-	-	-
Net cash (used in)/generated from operating activities	(802)	1,407	(493)	184
<b>Cash flows from investing activities</b>				
Refund of deposits placed with broker for margin call	600	-	-	-
Purchase of plant and equipment	-	(2)	-	(2)
Net cash generated from/(used in) investing activities	600	(2)	-	(2)
<b>Net (decrease)/increase in cash and cash equivalents</b>	(202)	1,405	(493)	182
<b>Cash and cash equivalents at beginning of financial period</b>	16,661	15,261	16,952	16,484
<b>Cash and cash equivalents at end of financial period</b>	16,459	16,666	16,459	16,666
Fixed deposits	12,779	-	12,779	-
Cash and bank balances	3,680	16,666	3,680	16,666
	16,459	16,666	16,459	16,666

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 Period ended 30 September 2019**

<u>Group</u>	Share capital	Treasury shares	Capital reserve	Settlement shares	Translation reserve	Accumulated losses	Non-controlling interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1 April 2019 (audited)</b>	<b>145,623</b>	<b>(1,219)</b>	<b>(169)</b>	<b>(1,140)</b>	<b>2,139</b>	<b>(128,224)</b>	<b>(24)</b>	<b>16,986</b>
Loss for the financial period	-	-	-	-	-	(1,224)	6	(1,218)
Other comprehensive income, net of tax	-	-	-	-	77	-	-	77
Total comprehensive income/ (loss) for the financial period	-	-	-	-	77	(1,224)	6	(1,141)
<b>Balance at 30 September 2019</b>	<b>145,623</b>	<b>(1,219)</b>	<b>(169)</b>	<b>(1,140)</b>	<b>2,216</b>	<b>(129,448)</b>	<b>(18)</b>	<b>15,845</b>

	Share capital	Treasury shares	Capital reserve	Settlement shares	Translation reserve	Accumulated losses	Non-controlling interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1 April 2018 (restated)</b>	<b>145,623</b>	<b>(1,219)</b>	<b>(169)</b>	<b>(1,140)</b>	<b>1,552</b>	<b>(128,812)</b>	<b>26</b>	<b>15,861</b>
Loss for the financial period	-	-	-	-	-	(2,907)	(22)	(2,929)
Other comprehensive income, net of tax	-	-	-	-	1,381	-	-	1,381
Total comprehensive income/ (loss) for the financial period	-	-	-	-	1,381	(2,907)	(22)	(1,548)
<b>Balance at 30 September 2018 (unaudited)</b>	<b>145,623</b>	<b>(1,219)</b>	<b>(169)</b>	<b>(1,140)</b>	<b>2,933</b>	<b>(131,719)</b>	<b>4</b>	<b>14,313</b>

<u>Company</u>	Share capital	Treasury shares	Settlement shares	Capital reserve	Accumulated losses	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1 April 2019 (audited)</b>	<b>145,623</b>	<b>(1,219)</b>	<b>(1,140)</b>	<b>(169)</b>	<b>(136,251)</b>	<b>6,844</b>
Loss for the financial period	-	-	-	-	(647)	(647)
Total comprehensive loss for the financial period	-	-	-	-	(647)	(647)
<b>Balance at 30 September 2019</b>	<b>145,623</b>	<b>(1,219)</b>	<b>(1,140)</b>	<b>(169)</b>	<b>(136,898)</b>	<b>6,197</b>

	Share capital	Treasury shares	Settlement shares	Capital reserve	Accumulated losses	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1 April 2018 (restated)</b>	<b>145,508</b>	<b>(1,219)</b>	<b>(1,140)</b>	<b>(169)</b>	<b>(135,837)</b>	<b>7,143</b>
Loss for the financial period	-	-	-	-	(1,276)	(1,276)
Total comprehensive loss for the financial period	-	-	-	-	(1,276)	(1,276)
<b>Balance at 30 September 2018 (unaudited)</b>	<b>145,508</b>	<b>(1,219)</b>	<b>(1,140)</b>	<b>(169)</b>	<b>(137,113)</b>	<b>5,867</b>

**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.**

<u>Issued ordinary shares</u>	Number of shares	
	2019	2018
Balance at 1 April and 30 September	6,410,535,828	6,410,535,828

**Outstanding convertibles**

The Company did not have any outstanding share convertibles as at 30 September 2019 and 31 March 2019.

**Treasury shares and subsidiary holdings**

Included in the above issued ordinary shares as at 30 September 2019 was 24,200,000 (31 March 2019: 24,200,000) treasury shares held by the Company.

The subsidiary holdings as at 30 September 2019 and 30 September 2018 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 30 September 2019	As at 31 March 2019
Total number of issued shares excluding treasury shares	6,448,935,828	6,448,935,828

**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.**

<u>Treasury shares</u>	Number of ordinary shares	
	2019	2018
Balance at 1 April and 30 September	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		Group	
	Half year ended		Second quarter ended	
	30/09/2019	30/09/2018	30/09/2019	30/09/2018
	(cents)	(cents)	(cents)	(cents)
Loss per share attributable to the equity holder of the Company	(0.02)	(0.02)	(0.01)	(0.01)

As the Company does not have any outstanding share convertibles for the second quarter ended 30 September 2019 and 30 September 2018, 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 30 September 2019 (cents)	As at 31 March 2019 (audited) (cents)	As at 30 September 2019 (cents)	As at 31 March 2019 (audited) (cents)
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares	0.25	0.26	0.10	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 recognised a foreign exchange loss of S\$3,000 for the second quarter ended 30 September 2019 ("**2QFY20**") compared to a foreign exchange loss of S\$880,000 in the second quarter ended 30 September 2018 ("**2QFY19**"). This was mainly due to the group's exposure on its foreign currency assets against the Singapore dollar.

The Group recorded a share of loss of S\$0.54 million from its joint venture in 2QFY20, as compared to a share of loss of S\$0.54 million in 2QFY19. The result is driven by the lower demand for the equipment and services supplied by HUH Broadband Communication Company Limited. Lower professional fees resulted in administrative expenses in 2QFY20 being lower than the same period in the prior year (S\$ 0.2 million from S\$ 0.4 million).

Taking the above into account, the Group recorded a net loss of S\$1.22 million for 2QFY20 compared to a net loss of S\$2.93 million in 2QFY19.

#### **Statement of Financial Position**

The share of loss from the Group's joint venture in the current financial period resulted in a lower net carrying value of the joint venture as at 30 September 2019.

The Group's derivative asset as at 31 March 2019 has been withdrawn from the deposits placed with broker for margin call. This resulted in a decrease in derivative asset as at 30 September 2019 amounting to approximately \$0.6 million.

Other payables and accruals mainly consist of provision for directors' fee, accruals and payable amounting to approximately S\$0.8 million, S\$0.8 million and S\$0.5 million respectively.

#### **Cash Flow**

The Group's cash and cash equivalents as at 30 September 2019 stood at S\$16.5 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 was placed on the watch-list under MTP entry criterion with effect from 5 June 2012, to meet the requirement of Rule 1314(2) of the SGX-ST Listing Manual pursuant to the MTP exit criterion and would update its shareholders in due course.

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.

**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 would be challenging going forward. The Group will work and devote its resources to seek new business opportunities. The Group will remain vigilant on cost, credit and cash management in response to the volatile operating 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 and the reason(s) for the decision.**

No dividend has been declared (recommended) for the financial period ended 30 September 2019. 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.

By Order of the Board  
NGSC Limited

Lye Meng Yiau  
Managing Director

14 November 2019



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**Unaudited Second Quarter Financial Statements for the Financial Period Ended 30 September 2019**

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**CONFIRMATION PURSUANT TO RULE 705(5) OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED FOR THE ANNOUNCEMENT OF UNAUDITED FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2019**

We, Lye Meng Yiau and Michael Kuan-Chi Sun, being Directors of the Company, do hereby confirm, for and on behalf of the Board of Directors of the Company, that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited consolidated financial results for the second quarter ended 30 September 2019 to be false or misleading in any material aspect.

For and on behalf of the Board of Directors

Lye Meng Yiau  
Managing Director

Michael Kuan-Chi Sun  
Executive Director

14 November 2019