



Unaudited Full Year Financial Statements for the Financial Year Ended 31 March 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 Year Ended 31 March 2019

	Note	Group Financial year ended		%
		31/03/2019 (unaudited) S\$'000	31/03/2018 (restated) S\$'000	
				+ / (-)
Revenue		-	-	n.a
Cost of sales		-	-	n.a
Gross profit		-	-	n.a
Other income	(i)	505	4,646	(89)
Other expense	(ii)	(2,058)	(30,424)	(93)
Administrative expenses		(1,529)	(1,538)	(1)
Finance expenses, net		(369)	(288)	28
Share of profit of joint venture		880	231	100
Loss before tax		(2,571)	(27,373)	(91)
Income tax credit		-	723	(100)
Loss for the financial year	(iii)	(2,571)	(26,650)	(90)
Attributable to:				
Owners of the Company		(2,621)	(26,631)	(90)
Non-controlling interests		50	(19)	n.m
		(2,571)	(26,650)	(90)
Other comprehensive income/(loss):				
Currency translation differences arising from consolidation		1,457	(328)	n.m
Total comprehensive loss		(1,114)	(26,978)	(96)
Total comprehensive loss attributable to:				
Owners of the Company		(1,164)	(26,959)	(96)
Non-controlling interests		50	(19)	n.m
		(1,114)	(26,978)	(96)

Note:

n.a. – not applicable

n.m. – not meaningful

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

	Group		
	Financial year ended		
	31/03/2019	31/03/2018	%
	(unaudited)	(restated)	
	S\$'000	S\$'000	+ / (-)
(i) Other income			
Interest income	229	177	29
Fair value gain / (loss) on financial derivatives	25	-	100
Realised gain on financial derivatives	222	51	100
Reversal of deferred expenditure	-	4,036	(100)
Reversal of impairment loss	-	380	(100)
Others	29	2	100
	505	4,646	(89)
(ii) Other expense			
Fair value loss on financial derivatives	-	(26)	(100)
Realised loss on financial derivatives	(120)	(232)	(48)
Impairment loss on investment in joint venture	(1,145)	(28,848)	(96)
Provision for doubtful debts - other receivables	-	(1,318)	(100)
Provision for doubtful debts - joint venture	(793)	-	100
	(2,058)	(30,424)	(93)
(iii) Total loss for the financial year is derived after crediting /(charging) the following:			
Depreciation of plant and equipment	(8)	(8)	-
Income tax - overprovision in prior years	-	723	n.a
Foreign exchange loss, net	(369)	(288)	28

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 31/03/2019 (unaudited) S\$'000	As at 31/03/2018 (restated) S\$'000	As at 31/03/2019 (unaudited) S\$'000	As at 31/03/2018 (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)
	<u>144,404</u>	<u>144,404</u>	<u>144,404</u>	<u>144,404</u>
Other reserves				
Capital reserve	(169)	(169)	(169)	(169)
Foreign currency translation reserves	3,009	1,552	-	-
Settlement shares	(1,140)	(1,140)	(1,140)	(1,140)
	<u>1,700</u>	<u>243</u>	<u>(1,309)</u>	<u>(1,309)</u>
Accumulated losses	(128,894)	(126,273)	(136,447)	(133,710)
Non-controlling interest	76	26	-	-
TOTAL EQUITY	<u>17,286</u>	<u>18,400</u>	<u>6,648</u>	<u>9,385</u>
ASSETS				
Non-current assets				
Plant and equipment	8	13	6	11
Subsidiaries	-	-	26,584	26,584
Joint ventures	2,143	2,539	-	-
Current assets				
Other receivables, deposits and prepayments	1,124	3,633	102	2,983
Due from subsidiaries (non-trade)	-	-	686	712
Derivative assets	600	474	-	-
Cash and bank balances	16,661	15,261	16,516	15,215
	<u>18,385</u>	<u>19,368</u>	<u>17,304</u>	<u>18,910</u>
TOTAL ASSETS	<u>20,536</u>	<u>21,920</u>	<u>43,894</u>	<u>45,505</u>
LIABILITIES				
Current liabilities				
Trade payables	217	215	-	-
Other payables and accruals	2,219	2,487	1,298	1,460
Due to subsidiaries (non-trade)	-	-	35,948	34,660
Income tax payable	814	818	-	-
	<u>3,250</u>	<u>3,520</u>	<u>37,246</u>	<u>36,120</u>
TOTAL LIABILITIES	<u>3,250</u>	<u>3,520</u>	<u>37,246</u>	<u>36,120</u>
NET ASSETS	<u>17,286</u>	<u>18,400</u>	<u>6,648</u>	<u>9,385</u>

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 31/03/2019		As at 31/03/2018 (restated)	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	-

Amount repayable after one year

As at 31/03/2019		As at 31/03/2018 (restated)	
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	
	31/03/2019	31/03/2018
	(unaudited)	(restated)
	S\$'000	S\$'000
Cash flows from operating activities		
Loss before tax	(2,571)	(27,373)
Adjustments:		
Depreciation of plant and equipment	8	9
Impairment loss on joint venture	1,145	28,847
Impairment loss on other receivables	-	938
Fair value (gain)/loss on financial derivatives	(25)	26
Realised (gain)/loss on financial derivatives	(102)	181
Interest income	(229)	-
Share of profit of joint venture	(880)	(231)
Reversal of deferred expenditure	-	(4,036)
Unrealised foreign exchange differences	1,584	(731)
Operating loss before working capital changes	(1,070)	(2,370)
Other receivables, deposits and prepayments	2,509	(237)
Other payables and accruals	(266)	(133)
Interest income	229	-
Net cash generated from/(used in) operating activities	1,402	(2,740)
Cash flows from investing activities		
Purchase of plant and equipment	(2)	(14)
Deposits placed with broker for margin call	-	(679)
Other receivables	-	(3,980)
Net cash used in investing activities	(2)	(4,673)
Cash flow from financing activity		
Other payables and accruals	-	(448)
Net cash used in financing activity	-	(448)
Net increase/(decrease) in cash and cash equivalents	1,400	(7,861)
Cash and cash equivalents at beginning of financial year	15,261	23,124
Effect of exchange rate changes on cash and cash equivalents	-	(2)
Cash and cash equivalents at end of financial year	16,661	15,261

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 2019

<u>Group</u>	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	(126,273)	18,400
Loss for the financial year	-	-	-	-	-	50	(2,621)	(2,571)
Other comprehensive loss, net of tax	-	-	-	1,457	-	-	-	1,457
Total comprehensive loss for the financial year	-	-	-	1,457	-	50	(2,621)	(1,114)
Balance at 31 March 2019 (unaudited)	145,623	(1,219)	(169)	3,009	(1,140)	76	(128,894)	17,286

	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 2017, (restated)	145,508	(1,219)	(169)	1,880	(1,140)	45	(99,642)	45,263
Loss for the financial year	-	-	-	-	-	(19)	(26,631)	(26,650)
Other comprehensive loss, net of tax	-	-	-	(328)	-	-	-	(328)
Total comprehensive loss for the financial year	-	-	-	(328)	-	(19)	(26,631)	(26,978)
Contribution by and distributions to owners								
Grant of share awards	115	-	-	-	-	-	-	115
Balance at 31 March 2018 (restated)	145,623	(1,219)	(169)	1,552	(1,140)	26	(126,273)	18,400

Unaudited Statement of Changes In Equity for the Financial Year ended 31 March 2019 (cont'd)

<u>Company</u>	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, (audited)	145,623	(1,219)	(169)	(1,140)	(133,710)	9,385
Loss for the financial year	-	-	-	-	(2,737)	(2,737)
Balance at 31 March 2019 (unaudited)	145,623	(1,219)	(169)	(1,140)	(136,447)	6,648

	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 2017, (restated)	145,508	(1,219)	(169)	(1,140)	(100,622)	42,358
Loss for the financial year	-	-	-	-	(33,088)	(33,088)
Total comprehensive loss for the financial year	-	-	-	-	(33,088)	(33,088)
<u>Contribution by and distributions to owners</u>						
Grant of share awards	115	-	-	-	-	115
Balance at 31 March 2018 (restated)	145,623	(1,219)	(169)	(1,140)	(133,710)	9,385

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	
	2019	2018
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 2019 and 31 March 2018.

Treasury shares and subsidiary holdings

Treasury shares as at 31 March 2019 was 24,200,000 (31 March 2018: 24,200,000) treasury shares held by the Company.

The subsidiary holdings as at 31 March 2019 and 31 March 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 31/03/2019	As at 31/03/2018
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.

<u>Treasury shares</u>	Number of ordinary shares 2019	2018
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 2018 as per the announcement dated 13 August 2018.

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	31/03/2018
	31/03/2019	31/03/2018
	(cents)	(cents)
		(restated)
Loss per share attributable to the equity holders of the Company		
- basic	(0.02)	(0.42)

As the Company does not have any outstanding share convertibles for the financial year ended 31 March 2019 and 31 March 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	As at	As at	As at
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	(cents)	(restated)	(cents)	(restated)
		(cents)		(cents)
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares	0.27	0.29	0.12	0.16

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 2019 ("**FY2019**") recorded a share of profit of S\$0.9 million from its joint venture, as compared to the share of profit of S\$0.2 million for the financial year ended 31 March 2018 ("**FY2018**"). The positive results is driven by the higher demand for the equipment and services supplied by its joint venture in the People's Republic of China.

The Group for FY2019 also recognised a foreign exchange loss of S\$0.4 compared to a foreign exchange loss of S\$0.3 million for FY2018. This was mainly due to the Group's exposure on its foreign currency assets against the Singapore dollar.

Other income of S\$0.5 million was lower in FY2019, compared to S\$4.6 million in FY2018, because there was a reversal of deferred expenditure of S\$4.0 million in FY2018. Other expenses of S\$2.1 million was also lower in FY2019, as compared to S\$30.1 million in FY2018, because of the lower impairment loss on the investment in joint venture and provision of doubtful debts on other receivables.

Statement of Comprehensive Income (Cont'd)

Administrative expenses of S\$1.5 million in FY2019 is consistent compared to S\$1.5 million in FY2018. Taking the above into account, the Group recorded a net loss of S\$2.6 million for FY2019 as compared to a net loss of S\$27.0 million in FY2018.

Statement of Financial Position

The share of profit from the Group's joint venture for FY19 amounting to S\$0.9 million, offset against the impairment loss arising from the Group's review of S\$1.1 million, resulted in the carrying value of the joint venture as at 31 March 2019 amounted to S\$2.1 million compared to its fair value of S\$2.5 million in FY2018.

Other receivables decreased by S\$2.5 million, mainly due to the full repayment from Zhong Ping Trading Development Limited ("ZP") with a principal loan amount of S\$3.0 million during the financial year ended 31 March 2019.

Other payables and accruals mainly consists of provision for directors' fee, accruals and other payables amounting to approximately S\$1.0 million, \$0.5 million and S\$0.5 million respectively.

Cash Flow

The Group's cash and cash equivalents as at 31 March 2019 stood at S\$16.7 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.

No dividend has been declared (recommended) for the financial year ended 31 March 2019.

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).

On behalf of the Board of Directors of the Company, we hereby confirm that we have procured all the required undertakings to comply with the Exchange's listing rules from all the Directors and Executive Officers of the Company.

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

	Building, operating and leasing USO equipment, provision data center and connectivity service \$'000	Unallocated \$'000	Group \$'000
2019			
Revenue			
External sales	-	-	-
Segment results			
Loss from operations	(3)	(1,526)	(1,529)
Other expenses	-	(2,427)	(2,427)
Other income	-	505	505
Share of loss of joint venture	880	-	880
Loss before tax			(2,571)
Income tax credit			-
Loss after tax			(2,571)
Segment assets representing consolidated total assets	-	20,536	20,536
Segment liabilities	2,436	-	2,436
Unallocated liabilities			
- Income tax payable	-	814	814
Consolidated total liabilities			3,250
Non-current assets	-	2,151	2,151
Other segment items			
Depreciation of property, plant and equipment	-	8	8
Impairment loss on other receivables	-	-	-
Impairment loss on investment in joint ventures	-	1,145	1,145

Segment Information – Geographical Segment (Cont'd)

	Building, operating and leasing USO equipment, provision data center and connectivity service \$'000	Unallocated \$'000	Group \$'000
2018			
Revenue			
External sales	-	-	-
Segment results			
Loss from operations	(44)	(1,494)	(1,538)
Other expenses	(253)	(30,408)	(30,661)
Other income	-	4,595	4,595
Share of loss of joint venture	231	-	231
Loss before tax			(27,373)
Income tax credit			723
Loss after tax			(26,650)
Segment assets representing consolidated total assets	2,677	19,243	21,920
Segment liabilities	921	1,781	2,702
Unallocated liabilities			
- Income tax payable	698	120	818
Consolidated total liabilities			3,520
Non-current assets	2,539	13	2,552
Other segment items			
Depreciation of property, plant and equipment	-	9	9
Impairment loss on other receivables	-	938	938
Impairment loss on investment in joint ventures	-	28,847	28,847

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	
	31/03/2019	31/03/2018
	(unaudited)	(audited)
	S\$'000	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 2019.

By Order of the Board
NGSC Limited

Michael Kuan-Chi Sun
Executive Director

30 May 2019