

Condensed Interim Financial Statements for the half year ended 30 September 2021

A 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.

Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Financial Period Ended 30 September 2021

	Group Half year ended			Group Second quarter ended			
	Note	30 Sep 2021	30 Sep 2020	%	30 Sep 2021	30 Sep 2020	%
		(unaudited)	(audited)		(unaudited)	(audited)	
	S\$'000	S\$'000	+ / (-)	S\$'000	S\$'000	+ / (-)	
Revenue	-	-	n.a.	-	-	n.a.	
Cost of sales	-	-	n.a.	-	-	n.a.	
Gross profit	-	-		-	-		
Other income	44	1,447	(97)	1	1,379	(100)	
Other expense	-	(21,698)	(100)	-	(21,698)	(100)	
Administrative expenses	(886)	(588)	51	(321)	(219)	47	
Finance (expenses)/income, net	(14)	1,482	n.m.	39	971	(96)	
Share of loss of joint ventures	-	(1,074)	(100)	-	(1,149)	(100)	
Loss before tax	(856)	(20,431)		(281)	(20,716)		
Income tax expense	(1)	-	100	-	-	n.a.	
Loss for the financial period	(857)	(20,431)		(281)	(20,716)		
Attributable to:							
Owners of the Company	(853)	(20,425)	(96)	(279)	(20,713)	(99)	
Non-controlling interests	(4)	(6)	(33)	(2)	(3)	(33)	
Loss for the financial period	(857)	(20,431)		(281)	(20,716)		
Other comprehensive loss:							
Currency translation differences arising from consolidation	(16)	(2,961)	(99)	(20)	(2,340)	(99)	
Total comprehensive loss	(873)	(23,392)		(301)	(23,056)		
Total Comprehensive loss attributable to:							
Owners of the Company	(869)	(23,386)		(299)	(23,053)		
Non-controlling interests	(4)	(6)		(2)	(3)		
	(873)	(23,392)		(301)	(23,056)		

Note:

n.a. – not applicable

n.m. – not meaningful

B(i) Condensed Interim Balance Sheet

	Note	Group		Company	
		As at 30 Sep 2021 (unaudited)	As at 31 Mar 2021 (audited)	As at 30 Sep 2021 (unaudited)	As at 31 Mar 2021 (audited)
		S\$'000	S\$'000	S\$'000	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)
Settlement shares		(1,140)	(1,140)	(1,140)	(1,140)
Foreign currency translation reserves		(319)	(303)	-	-
		<u>(1,628)</u>	<u>(1,612)</u>	<u>(1,309)</u>	<u>(1,309)</u>
Accumulated losses		<u>(133,366)</u>	<u>(132,513)</u>	<u>(131,267)</u>	<u>(130,524)</u>
Equity attributable to owners of the Company					
		9,410	10,279	11,828	12,571
Non-controlling interests		(83)	(79)	-	-
		<u>9,327</u>	<u>10,200</u>	<u>11,828</u>	<u>12,571</u>
TOTAL EQUITY					
ASSETS					
Non-current assets					
Plant and equipment		240	240	240	240
Subsidiaries		-	-	55	55
Joint ventures		-	-	-	-
Current assets					
Other receivables, deposits and prepayments		361	268	351	256
Due from subsidiaries (non-trade)		-	-	75	-
Cash and bank balances		12,626	13,631	12,600	13,606
		<u>12,987</u>	<u>13,899</u>	<u>13,026</u>	<u>13,862</u>
		<u>13,227</u>	<u>14,139</u>	<u>13,321</u>	<u>14,157</u>
TOTAL ASSETS					
LIABILITIES					
Current liabilities					
Trade payables		-	-	-	-
Other payables and accruals		3,653	3,691	1,246	1,301
Due to subsidiaries (non-trade)		-	-	-	38
Lease liability		174	174	174	174
Income tax payable		-	1	-	-
		<u>3,827</u>	<u>3,866</u>	<u>1,420</u>	<u>1,513</u>
Non-current liabilities					
Lease liability		73	73	73	73
		<u>3,900</u>	<u>3,939</u>	<u>1,493</u>	<u>1,586</u>
TOTAL LIABILITIES					
NET ASSETS					
		<u>9,327</u>	<u>10,200</u>	<u>11,828</u>	<u>12,571</u>

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

Amount repayable in one year or less, or on demand

As at 30 September 21 (unaudited)		As at 31 March 21 (audited)	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	-

Amount repayable after one year

As at 30 September 21 (unaudited)		As at 31 March 21 (audited)	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	-

Details of any collaterals

Not applicable.

C 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.

Condensed Interim Statement of Changes In Equity for the Financial Period ended 30 September 2021

<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
Balance at 1 April 2021 (audited)	145,623	(1,219)	(169)	(1,140)	(303)	(132,513)	(79)	10,200
Loss for the financial period	-	-	-	-	-	(853)	(4)	(857)
Other comprehensive loss, net of tax	-	-	-	-	(16)	-	-	(16)
Total comprehensive loss for the financial period	-	-	-	-	(16)	(853)	(4)	(873)
Balance at 30 September 2021 (unaudited)	145,623	(1,219)	(169)	(1,140)	(319)	(133,366)	(83)	9,327

	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
Balance at 1 April 2020 (audited)	145,623	(1,219)	(169)	(1,140)	2,632	(108,463)	(70)	37,194
Loss for the financial period	-	-	-	-	-	(20,425)	(6)	(20,431)
Other comprehensive loss, net of tax	-	-	-	-	(2,961)	-	-	(2,961)
Total comprehensive loss for the financial period	-	-	-	-	(2,961)	(20,425)	(6)	(23,392)
Balance at 30 September 2020 (audited)	145,623	(1,219)	(169)	(1,140)	(329)	(128,888)	(76)	13,802

<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
Balance at 1 April 2021 (audited)	145,623	(1,219)	(1,140)	(169)	(130,524)	12,571
Loss for the financial period	-	-	-	-	(743)	(743)
Total comprehensive loss for the financial period	-	-	-	-	(743)	(743)
Balance at 30 September 2021 (unaudited)	145,623	(1,219)	(1,140)	(169)	(131,267)	11,828

	Share capital	Treasury shares	Settlement shares	Capital reserve	Accumulated losses	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 April 2020 (audited)	145,623	(1,219)	(1,140)	(169)	(121,139)	21,956
Loss for the financial period	-	-	-	-	(8,053)	(8,053)
Total comprehensive loss for the financial period	-	-	-	-	(8,053)	(8,053)
Balance at 30 September 2020 (audited)	145,623	(1,219)	(1,140)	(169)	(129,192)	13,903

D Condensed Interim Consolidated Cash Flow Statement

	Group Financial period ended		Group Second quarter ended	
	30 Sep 2021 (unaudited)	30 Sep 2020 (audited)	30 Sep 2021 (unaudited)	30 Sep 2020 (audited)
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Loss before tax	(856)	(20,431)	(281)	(20,716)
Adjustments:				
Depreciation	-	1	-	1
Impairment loss on investment joint venture	-	21,698	-	21,698
Gain on disposal of subsidiaries	-	(1,362)	-	(1,362)
Share of profit of joint ventures	-	1,074	-	1,149
Unrealised foreign exchange differences	(17)	(1,621)	(20)	(990)
Interest income	-	(39)	-	(5)
Operating loss before working capital changes	(873)	(680)	(301)	(225)
Other receivables, deposits and prepayments	(93)	(2,120)	(50)	(1,974)
Trade payables	-	(11)	-	(12)
Other payables and accruals	(38)	1,715	(268)	1,829
Interest received	-	39	-	5
Cash used in operations	(1,004)	(1,057)	(619)	(377)
Income tax paid	(1)	-	-	-
Net cash used in operating activities	(1,005)	(1,057)	(619)	(377)
Cash flows from investing activities				
Proceeds from disposal of subsidiaries, net of cash disposed of	-	(14)	-	(14)
Purchase of plant and equipment	-	(4)	-	(4)
Net cash used in investing activities	-	(18)	-	(18)
Net decrease in cash and cash equivalents	(1,005)	(1,075)	(619)	(395)
Cash and cash equivalents at beginning of financial period	13,631	15,463	13,245	14,783
Cash and cash equivalents at end of financial period	12,626	14,388	12,626	14,388

E Notes to condensed interim financial statements

1 Corporate information

NGSC Limited is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the half year ended 30 September 2021 comprise the Company and its subsidiaries (collectively, the Group). The primary activities of the Group are that of investment holding.

2 Basis of Preparation

The condensed interim financial statements for the half year ended 30 September 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last interim financial statements for the period ended 31 March 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of judgement and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The following are the critical accounting estimates in applying the Group's accounting policies in the financial statements for the second quarter period ended 30 September 2021:

2.2 (a) Investment in joint ventures

The Group holds 55% of the issued shares in its joint arrangement, HUH Broadband Communication Company Limited ("HUH"). The Group has joint control over this arrangement as under the contractual agreement, unanimous consent is required from all parties to the agreements for all relevant activities. Management has considered that the joint arrangement is structured as a limited company and provides the Group and the parties to the agreement with rights to the net assets of the limited company under the arrangement. Accordingly, this arrangement is classified as an investment in joint venture.

2.2 (a) Investment in joint ventures (cont'd)

The Group through its investment in NGSC Capital Pte. Ltd. holds 50% of the issued shares in its joint arrangement, Indo EM Growth Fund GP Holdings Limited. The Group has joint control over this arrangement as under the contractual agreement, unanimous consent is required from all parties to the agreements for all relevant activities. Management has considered that the joint arrangement is structured as a limited company and provides the Group and the parties to the agreement with rights to the net assets of the limited company under the arrangement. Accordingly, this arrangement is classified as an investment in joint venture.

2.2 (b) Determination of Lease Term of Contracts with Extension Options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has one lease contract that includes an extension option. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to extend the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the extension. After the commencement date, the Company reassesses the lease term whether there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend.

The Company included the extension option in the lease term for leases of leasehold buildings because of the leasehold improvements made and the costs that would arise to replace the assets.

3 Seasonal Operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4 Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 September 2021 and 31 March 2021:

	Group		Company	
	As at 30/09/2021 (unaudited)	As at 31/03/2021 (audited)	As at 30/09/2021 (unaudited)	As at 31/03/2021 (audited)
	S\$'000	S\$'000	S\$'000	S\$'000
Financial Assets				
Other receivables and deposits	276	213	276	213
Amount due from subsidiaries	-	-	75	-
Cash and bank balances	12,626	13,631	12,600	13,606
	12,902	13,844	12,951	13,819
Financial Liabilities				
Amount due to subsidiaries	-	-	-	38
Other payables and accruals	3,653	3,691	1,246	1,301
	3,653	3,691	1,246	1,339

5 Other income

	Group	
	Half year ended	
	30/09/2021	30/09/2020
	(unaudited)	(audited)
	S\$'000	S\$'000
Interest income	-	39
Gain on disposal of subsidiary	-	1,362
Reversal of impairment of other receivables	39	-
Others	5	46
	<u>44</u>	<u>1,447</u>

6 Loss before taxation

	Group	
	Half year ended	
	30/09/2021	30/09/2020
	(unaudited)	(audited)
	S\$'000	S\$'000
Impairment loss on joint venture	-	21,698
Depreciation of property, plant and equipment	-	1
Gain on disposal of subsidiary	-	(1,362)
Reversal of impairment of other receivables	(39)	-
	<u>(39)</u>	<u>(1,362)</u>

7 **Property, plant and equipment**

Group & Company	Leasehold improvement \$'000	USO equipment \$'000	Plant and equipment \$'000	Total \$'000
Cost				
Balance at 1.4.2020	367	-	55	6,027
Additions	-	-	4	321
Modification of lease liability	90	-	-	(5,926)
Balance at 31.3.2021	457	-	59	422
Additions	-	-	-	-
Modification of lease liability	-	-	-	-
Balance at 30.9.2021	457	-	59	422
Accumulated depreciation				
Balance at 1.4.2020	129	-	53	6,019
Charge for the financial year (Note 6 & 26)	82	-	3	89
Modification of lease liability	9	-	-	(5,926)
Balance at 31.3.2021	220	-	56	182
Modification of lease liability	-	-	-	-
Charge for the financial year	-	-	-	-
Balance at 30.9.2021	220	-	56	182
Carrying amount				
At 31.3.2020	237	-	3	240
At 30.9.2021	237	-	3	240

F Other Information Required by Listing Rule Appendix 7.2

1. Review

The Condensed consolidation statement of financial position of the Company and its subsidiaries as at 30 September 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half year period then ended and certain explanatory notes have not been audited or reviewed.

2. Share capital

- (i) **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	
	2021	2020
Balance at 1 April and 30 September	6,448,935,828	6,448,935,828

Outstanding convertibles

The Company did not have any outstanding share convertibles as at 30 September 2021 and 31 March 2021.

Treasury shares and subsidiary holdings

Included in the above issued ordinary shares as at 30 September 2021 was 24,200,000 (31 March 2021: 24,200,000) treasury shares held by the Company.

The subsidiary holdings as at 30 September 2021 and 31 March 2021 is NIL.

- (ii) **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	As at
	30 September 2021	31 March 2021
Total number of issued shares excluding treasury shares	6,424,735,828	6,424,735,828

- (iii) **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	
	2021	2020
Balance at 1 April and 30 September	24,200,000	24,200,000

- (iv) **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.

3. **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.

4. **Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).**

Not applicable

- 5A. **Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-**

(a) **Updates on the efforts taken to resolve each outstanding audit issue.**

(b) **Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable. The Group's latest audited financial statements for the financial year ended 31 March 2021 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion issued by the auditors.

6. **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 2021.

7. **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.

8. **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	
	Second quarter ended	
	30 September	30 September
	2021	2020
	(cents)	(cents)
Loss per share attributable to the equity holders of the Company		
- basic	(0.01)	(0.01)

As the Company does not have any outstanding share convertibles for the half year ended 30 September 2021 and 30 September 2020, the diluted loss per share is the same as basic loss per share.

9. **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:**
- current financial period reported on; and
 - immediately preceding financial year

	Group		Company	
	As at 30 September 2021 (unaudited) (cents)	As at 31 March 2021 (audited) (cents)	As at 30 September 2021 (unaudited) (cents)	As at 31 March 2021 (audited) (cents)
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares	0.15	0.16	0.18	0.20

10. **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:-**
- 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
 - 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 recorded a foreign exchange loss of S\$14,000 for the half year ended 30 September 2021 ("HY2022") as compared to a foreign exchange gain of S\$1,482,000 for the half year ended 30 September 2020 ("HY2021"). This was mainly due to the group's exposure on its foreign currency denominated assets against the Singapore dollar.

Other income for HY2022 mainly pertains to reversal of impairment of other receivables.

Taking the above into account, the Group recorded a net loss S\$0.87 million for HY2022 compared to a net loss of S\$23.39 million for HY2021.

Statement of Financial Position

Other receivables, deposits and prepayments at the Group level mainly pertains to the deposit on account placed with a legal firm and rental deposit total amounting to S\$137,000, staff loan of S\$ 112,500 and prepayment amounting to S\$85,000.

At the Group level, other payables and accruals mainly consist of provision for directors' fee, accruals, third party payables and an amount due to the joint venture amounting to approximately S\$0.6 million, S\$0.6 million, S\$0.1 million and S\$2.3 million respectively.

Cash Flow

The Group's cash and cash equivalents as at 30 September 2021 stood at S\$12.6 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 to be removed from the Watch-List if it records consolidated pre-tax profit for the most recently completed financial year (based on audited full year consolidated accounts) and has an average daily market capitalisation of \$40 million or more over the last 6 months.

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.

On 3 December 2019, the Company 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) Pursuant to Listing Rule 1306, the Company or its controlling shareholder(s) must comply with 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 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 the trading will be 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.

On 18 August 2020, the Company had been notified definitively by the SGX-ST that the SGX-ST will not consider any proposal or application from the Company which requests for any time extension to exit the Watch-List.

In addition, as previously announced in the Notification, in accordance with Rules 1306 and 1309 of the SGX-ST Listing Manual, SGX-ST requires a reasonable exit offer to be made to the Company’s shareholders. The Board of Directors of the Company has appointed legal and financial advisers to advise on the options available to the Company in relation to a reasonable exit offer.

On 25 May 2021, the Company has announced that it is presently considering the viability of undertaking an exit offer by way of a court-approved selective capital reduction and intends to seek shareholders approval in accordance with the provisions of the Companies Act (Cap. 50).

In connection with the above, Provenance Capital Pte. Ltd. has on 18 May 2021 been appointed by the Company as the independent financial adviser to advise the Directors who are considered independent for the purposes of any potential exit offer, pursuant to Rule 1309(2) of the Listing Manual.

On 3 November 2021, the Company has announced the despatch of a circular dated 3 November 2021 in relation to the Selective Capital Reduction.

For further details, please refer to the Company’s announcement dated 3 November 2021 as announced on SGXNet.

11. 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.

12. 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 has lowered demand for the equipments and is expected to have further impact on new project rollouts. To ensure long term sustainability, the Group will continue to exercise prudence and vigilance to safeguard its financial position.

On 26 January 2021, CUH has received a demand letter (“**Demand**”) from HCH Group Company Limited (“**HCH**”) for the advance of its proportionate shareholders’ loan of US\$1.76 million (“**Shareholders’ Loan**”) by 30 January 2021. HCH is the joint venture partner that owns 45% of HUH Broadband Communication Company Limited (“**HUH**”), a 55%-owned joint venture of CUH. This Demand was issued by HCH pursuant to the terms of the shareholders’ agreement dated 5 March 2010 between, *inter alia*, CUH and HCH.

The advance of Shareholders’ Loan by CUH will have a material impact on the net tangible assets and earnings per share of the Group for the financial year ending 31 March 2022.

The Company will update shareholders on any material developments in respect of the Demand at the appropriate time.

13. 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

14. 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 2021. The Company did not declare any dividend as the continuing operations of the Company was in a loss-making position.

15. 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.

16. **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.

17. **Statement by Directors Pursuant to SGX Listing Rule 705(5)**

We, Michael Kuan-Chi Sun and Mahtani Bhagwandas, 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 half year ended 30 September 2021 to be false or misleading in any material aspect.

**On behalf of the Board
NGSC Limited**

Michael Kuan-Chi Sun
Executive Director
13 November 2021