



## Unaudited Third Quarter Financial Statements for the Financial Period Ended 31 December 2018

- 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 31 December 2018

	Note	Group Nine months ended			Group Third quarter ended		
		31/12/2018	31/12/2017	%	31/12/2018	31/12/2017	%
		(unaudited) S\$'000	(audited) S\$'000	+ / (-)	(unaudited) S\$'000	(audited) S\$'000	+ / (-)
<b>Revenue</b>		-	-	n.a	-	-	n.a
Cost of sales		-	-	n.a	-	-	n.a
<b>Gross profit</b>		-	-	n.a	-	-	n.a
Other income/(expense)	(i)	(845)	(50)	100	(153)	(119)	29
Administrative expenses		(1,199)	(1,567)	(23)	(380)	(780)	(51)
Finance expenses, net		(613)	(414)	48	267	(122)	n.m
Share of (loss)/profit of joint venture		(1,395)	831	n.m	(857)	(201)	100
<b>Loss before tax</b>		<b>(4,052)</b>	<b>(1,200)</b>	100	<b>(1,123)</b>	<b>(1,222)</b>	(8)
Income tax expense		-	-	n.a.	-	-	n.a
<b>Loss for the financial period</b>	(ii)	<b>(4,052)</b>	<b>(1,200)</b>	100	<b>(1,123)</b>	<b>(1,222)</b>	(8)
<b>Attributable to:</b>							
Owners of the Company		(4,094)	(1,073)	100	(1,187)	(1,153)	3
Non-controlling interests		42	(127)	n.m	64	(69)	n.m
		<b>(4,052)</b>	<b>(1,200)</b>	100	<b>(1,123)</b>	<b>(1,222)</b>	n.m
<b>Other comprehensive income/(loss):</b>							
Currency translation differences arising from consolidation		1,928	(171)	n.m	547	(53)	n.m
<b>Total comprehensive loss</b>		<b>(2,124)</b>	<b>(1,371)</b>	55	<b>(576)</b>	<b>(1,275)</b>	(55)
<b>Total comprehensive loss attributable to:</b>							
Owners of the Company		(2,166)	(1,244)	74	(640)	(1,206)	(47)
Non-controlling interests		42	(127)	n.m	64	(69)	n.m
		<b>(2,124)</b>	<b>(1,371)</b>	55	<b>(576)</b>	<b>(1,275)</b>	(55)

Note:

n.a. – not applicable

n.m. – not meaningful

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

	Group			Group		
	Nine months ended		%	Third quarter ended		%
	31/12/2018	31/12/2017		31/12/2018	31/12/2017	
	(unaudited)	(audited)		(unaudited)	(audited)	
	S\$'000	S\$'000	+ / (-)	S\$'000	S\$'000	+ / (-)
<b>(i) Other income/(expense)</b>						
Interest income/(expense)	232	114	100	212	45	100
Fair value loss on financial derivatives	(10)	(10)	-	(34)	(10)	100
Realised gain/(loss) on financial derivatives	72	(154)	n.m	43	(154)	n.m
Impairment loss on investment in joint venture	(1,144)	-	100	(374)	-	100
Others	5	-	100	-	-	n.a
	<u>(845)</u>	<u>(50)</u>	100	<u>(153)</u>	<u>(119)</u>	29
<b>(ii) Total loss for the financial period is derived after crediting /(charging) the following:</b>						
Depreciation of plant and equipment	(6)	(9)	(33)	(2)	(4)	(50)
Foreign exchange (loss)/gain, net	<u>(613)</u>	<u>(414)</u>	48	<u>267</u>	<u>(122)</u>	n.m

**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.**

	<b>Group</b>		<b>Company</b>	
	<b>As at 31/12/2018 (unaudited) S\$'000</b>	<b>As at 31/03/2018 (audited) S\$'000</b>	<b>As at 31/12/2018 (unaudited) S\$'000</b>	<b>As at 31/03/2018 (audited) S\$'000</b>
<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)
	<u>144,404</u>	<u>144,404</u>	<u>144,404</u>	<u>144,404</u>
<b>Other reserves</b>				
Capital reserve	(169)	(169)	(169)	(169)
Foreign currency translation	3,480	1,552	-	-
	<u>3,311</u>	<u>1,383</u>	<u>(169)</u>	<u>(169)</u>
Accumulated losses	(130,747)	(126,653)	(134,488)	(133,710)
Non-controlling interest	68	26	-	-
	<u>17,036</u>	<u>19,160</u>	<u>9,747</u>	<u>10,525</u>
<b>TOTAL EQUITY</b>				
<b>ASSETS</b>				
<b>Non-current assets</b>				
Plant and equipment	10	13	8	11
Subsidiaries	-	-	26,584	26,584
Joint ventures	-	2,539	-	-
<b>Current assets</b>				
Trade receivables	271	-	-	-
Other receivables, deposits and prepayments	2,776	4,393	762	4,123
Due from subsidiaries (non-trade)	-	-	1,410	712
Derivative assets	540	474	-	-
Cash and bank balances	16,798	15,261	16,745	15,215
	<u>20,385</u>	<u>20,128</u>	<u>18,917</u>	<u>20,050</u>
<b>TOTAL ASSETS</b>	<u>20,395</u>	<u>22,680</u>	<u>45,509</u>	<u>46,645</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade payables	216	215	-	-
Other payables and accruals	2,335	2,487	1,522	1,460
Due to subsidiaries (non-trade)	-	-	34,240	34,660
Income tax payable	808	818	-	-
	<u>3,359</u>	<u>3,520</u>	<u>35,762</u>	<u>36,120</u>
<b>TOTAL LIABILITIES</b>	<u>3,359</u>	<u>3,520</u>	<u>35,762</u>	<u>36,120</u>
<b>NET ASSETS</b>	<u>17,036</u>	<u>19,160</u>	<u>9,747</u>	<u>10,525</u>

**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 31/12/2018</b>		<b>As at 31/03/2018</b>	
		(audited)	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	-

**Amount repayable after one year**

<b>As at 31/12/2018</b>		<b>As at 31/03/2018</b>	
		(audited)	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
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 Nine months ended		Group Third quarter ended	
	31/12/2018 (unaudited) S\$'000	31/12/2017 (audited) S\$'000	31/12/2018 (unaudited) S\$'000	31/12/2017 (audited) S\$'000
<b>Cash flows from operating activities</b>				
Loss before tax	(4,052)	(1,200)	(1,123)	(1,222)
Adjustments:				
Depreciation of plant and equipment	6	9	2	4
Impairment loss on joint venture	1,144	-	374	-
Fair value loss on financial derivatives	10	10	34	10
Realised (gain)/loss on financial derivatives	(72)	154	(43)	154
Interest income	(232)	(114)	(212)	(45)
Share of (profit)/loss of joint venture	1,395	(831)	857	201
Unrealised foreign exchange differences	1,913	(436)	549	(152)
Operating profit/(loss) loss before working capital changes	112	(2,408)	438	(1,050)
Trade receivables	(271)	-	(271)	-
Other receivables, deposits and prepayments	1,617	(3,884)	(205)	476
Trade payables	1	-	(1)	-
Other payables and accruals	(152)	(276)	(39)	(262)
Interest received	232	114	212	45
Net cash generated from/(used in) operating activities	1,539	(6,454)	134	(791)
<b>Cash flows from investing activities</b>				
Purchase of plant and equipment	(2)	(12)	(2)	-
Deposits placed with broker for margin call	-	(668)	-	(363)
Net cash (used in)/generated from investing activities	(2)	(680)	(2)	(363)
<b>Net increase/(decrease) in cash and cash equivalents</b>	1,537	(7,134)	132	(1,154)
<b>Cash and cash equivalents at beginning of financial period</b>	15,261	23,124	16,666	17,144
<b>Cash and cash equivalents at end of financial period</b>	16,798	15,990	16,798	15,990

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 31 December 2018**

<u>Group</u>	Share capital	Treasury shares	Capital reserve	Translation reserve	Non-controlling interest	Accumulated losses	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1 April 2018, (audited) (restated)</b>	<b>145,623</b>	<b>(1,219)</b>	<b>(169)</b>	<b>1,552</b>	<b>26</b>	<b>(126,653)</b>	<b>19,160</b>
Loss for the financial period	-	-	-	-	42	(4,094)	(4,052)
Other comprehensive loss, net of tax	-	-	-	1,928	-	-	1,928
Total comprehensive loss for the financial period	-	-	-	1,928	42	(4,094)	(2,124)
<b>Balance at 31 December 2018 (unaudited)</b>	<b>145,623</b>	<b>(1,219)</b>	<b>(169)</b>	<b>3,480</b>	<b>68</b>	<b>(130,747)</b>	<b>17,036</b>

	Share capital	Treasury shares	Capital reserve	Translation reserve	Non-controlling interest	Accumulated losses	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1 April 2017, (audited)</b>	<b>145,508</b>	<b>(1,219)</b>	<b>(169)</b>	<b>1,880</b>	<b>45</b>	<b>(100,379)</b>	<b>45,666</b>
Loss for the financial period	-	-	-	-	(127)	(1,073)	(1,200)
Other comprehensive loss, net of tax	-	-	-	(171)	-	-	(171)
Total comprehensive loss for the financial period	-	-	-	(171)	(127)	(1,073)	(1,371)
<b><u>Contribution by and distributions to owners</u></b>							
Grant of share awards	115	-	-	-	-	-	115
<b>Balance at 31 December 2017 (audited)</b>	<b>145,623</b>	<b>(1,219)</b>	<b>(169)</b>	<b>1,709</b>	<b>(82)</b>	<b>(101,452)</b>	<b>44,410</b>

# **Unaudited Statement of Changes In Equity for the Financial Period ended 31 December 2018 (cont'd)**

<u>Company</u>	Share capital	Treasury shares	Capital reserve	Accumulated losses	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1 April 2018, (audited)</b>	<b>145,623</b>	<b>(1,219)</b>	<b>(169)</b>	<b>(133,710)</b>	<b>10,525</b>
Loss for the financial period	-	-	-	(778)	(778)
<b>Balance at 31 December 2018 (unaudited)</b>	<b>145,623</b>	<b>(1,219)</b>	<b>(169)</b>	<b>(134,488)</b>	<b>9,747</b>

  

	Share capital	Treasury shares	Capital reserve	Accumulated losses	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1 April 2017, (audited)</b>	<b>145,508</b>	<b>(1,219)</b>	<b>(169)</b>	<b>(100,622)</b>	<b>43,498</b>
Loss for the financial period	-	-	-	(1,524)	(1,524)
Total comprehensive loss for the financial period	-	-	-	(1,524)	(1,524)
<b><u>Contribution by and distributions to owners</u></b>					
Grant of share awards	115	-	-	-	115
<b>Balance at 31 December 2017 (audited)</b>	<b>145,623</b>	<b>(1,219)</b>	<b>(169)</b>	<b>(102,146)</b>	<b>42,089</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.**

## **Issued ordinary shares**

	Number of shares	
	2018	2017
Balance at 31 December	6,448,935,828	6,448,935,828

## **Outstanding convertibles**

The Company did not have any outstanding share convertibles as at 31 December 2018 and 31 March 2018.

## **Treasury shares and subsidiary holdings**

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

The subsidiary holdings as at 31 December 2018 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.**

	<b>As at 31/12/2018</b>	<b>As at 31/03/2018</b>
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.**

<b><u>Treasury shares</u></b>	<b>Number of ordinary shares 2018</b>	<b>2017</b>
Balance at 31 December	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.

**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 Nine months ended		Group Third quarter ended	
	As at 31/12/2018 (cents)	As at 31/12/2017 (audited) (cents)	As at 31/12/2018 (cents)	As at 31/12/2017 (audited) (cent)
Loss per share attributable to the equity holder of the Company	(0.03)	(0.02)	(0.01)	(0.02)

As the Company does not have any outstanding share convertibles for the third quarter ended 31 December 2018 and 31 December 2017, 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 31/12/2018 (cents)	As at 31/03/2018 (audited) (cents)	As at 31/12/2018 (cents)	As at 31/03/2018 (audited) (cents)
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares	0.27	0.30	0.15	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 recognised a foreign exchange loss of S\$0.6 million for the nine months ended 31 December 2018 ("9MFY19") compared to a foreign exchange loss of S\$0.4 million for the nine months ended 31 December 2017 ("9MFY18"). This was mainly due to the Group's exposure on its foreign currency assets against the Singapore dollar.

The Group for the 9MFY19 also recorded a share of loss of S\$1.4 million from its joint venture, as compared to share of profit of S\$0.8 million in 9MFY18. The negative results is driven by the lower demand for the equipment and services supplied by HUH Broadband Communication Company Limited. In view of the results for the 9MFY19 of its joint venture, the Group has performed an impairment review and has impaired in full the remaining cost of its investment in its joint venture amounting to \$1.1 million for the 9MFY19 classified under other expenses.

Administrative expenses of S\$1.2 million was lower in 9MFY19, compared to S\$1.6 million in 9MFY18, as a result of lower consultancy and legal costs.

## Statement of Comprehensive Income (Cont'd)

Other income for 9MFY19 mainly consists of interest income and realised gain on financial derivatives amounting to S\$232,000 and S\$72,000 respectively.

Taking the above into account, the Group recorded a net loss of S\$4.1 million for 9MFY19 as compared to a net loss of S\$1.2 million in 9MFY18.

## Statement of Financial Position

Included in other receivables is an amount due from Zhong Ping Trading Development Company Limited being the balance of the loan amounted to S\$0.5 million. The amount due from related parties (non-trade) mainly consists of an amount due from Ban Joo Investment (Pte) Ltd arising from the settlement of 380 million shares of the Company with a market value of S\$ 0.8 million and amount of S\$0.7 million due from Indo EM Growth Fund LP.

The share of loss from the Group's joint venture in the 9MFY19 and the impairment loss arising from the Group's review as mentioned above, resulted in zero carrying value of the joint venture as at 31 December 2018.

Other payables and accruals mainly consist of other payables, provision for directors' fee and accruals amounting to S\$0.8 million, S\$1.0 million and S\$0.5 million respectively.

## Cash Flow

The Group's cash and cash equivalents as at 31 December 2018 stood at S\$16.8 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 refers to the announcements dated 9 May 2018 in relation to the grant of the call option by Grand Harvest Resources Holding Ltd. ("Vendor") and Tam Man Wai ("Mark Tam") to the Company to acquire 650,000 shares, representing 65% of the equity interest in Zhong Ping Trading Development Limited ("ZP") and a loan of the principle amount of S\$3.0 million granted by the Company to ZP ("Loan").

The Company has decided not to proceed with the Call Option. Accordingly, the Company has entered into a settlement agreement with ZP, Mark Tam and the Vendor ("Settlement Agreement") pursuant to which the parties have agreed to terminate the Call Option Agreement subject to ZP agreeing to prepay the Loan and interest under Loan Agreement by 16 August 2018 or such later date as may be agreed by the Company and ZP in writing in accordance with the terms and conditions of the Settlement Agreement. Subsequent to the settlement agreement, the Company has announced on 24 January 2019 that the Company has received in full the balance outstanding by ZP.

**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 period ended 31 December 2018 as the Group has incurred a loss for the 9MFY19.

**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).**

The Company hereby confirms that it has procured undertakings from all the directors and executive officers under Rule 720(1) of the Listing Manual.

**15. Negative confirmation pursuant to Rule 705(5)**

The Board of Directors of the Company hereby confirm, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for the 9 months ended 31 December 2018 to be false or misleading in any material aspect

By Order of the Board  
NGSC Limited

Ku Vicente S.  
Managing Director and Chief Executive Officer

14 February 2019