NGSC LIMITED

Co. Reg. No.196400100R

Unaudited Third Quarter Financial Statements for the Financial Period Ended 31 December 2017

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 2017

	Note	Group Nine months ended 31/12/2017 (unaudited) S$'000	31/12/2016 (audited) S$'000	% +/(-)	Group Third quarter ended 31/12/2017 (unaudited) S$'000	31/12/2016 (audited) S$'000	% +/(-)
Revenue		**-**	**-**	n.a.	**-**	**-**	n.a.
Cost of sales		-	(4)	(100)	-	(4)	(100)
Gross loss		**-**	**(4)**	(100)	**-**	**(4)**	(100)
Other income	(i)	(50)	786	n.m.	(119)	189	n.m.
Administrative expenses		(1,567)	(3,379)	(54)	(780)	(2,475)	(68)
Finance expenses, net		(414)	523	n.m.	(122)	242	n.m.
Share of profit/(loss) of joint venture		831	(1,003)	n.m.	(201)	(261)	(23)
Loss before tax		**(1,200)**	**(3,077)**	(61)	**(1,222)**	**(2,309)**	(47)
Income tax expense		-	-	n.a.	-	-	n.a.
Loss for the financial period	(ii)	**(1,200)**	**(3,077)**	n.m.	**(1,222)**	**(2,309)**	(47)
Attributable to:							
Owners of the Company		(1,073)	(3,077)	(65)	(1,153)	(2,309)	(50)
Non-controlling interests		(127)	-	100	(69)	-	100
		(1,200)	**(3,077)**	(61)	**(1,222)**	**(2,309)**	(47)
Other comprehensive income/(loss):							
Currency translation differences arising from		(171)	583	n.m.	(53)	729	n.m.
Net fair value gain on available for sale financial asset		-	410	(100)	-	408	(100)
Total comprehensive loss		**(1,371)**	**(2,084)**	(34)	**(1,275)**	**(1,172)**	n.m.
Total comprehensive loss attributable to:							
Owners of the Company		(1,244)	(2,084)	(40)	(1,206)	(1,172)	3
Non-controlling interests		(127)	-	100	(69)	-	100
		(1,371)	**(2,084)**	(34)	**(1,275)**	**(1,172)**	9

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

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

	Group Nine months ended			Group Third quarter ended		
	31/12/2017	**31/12/2016**	**%**	**31/12/2017**	**31/12/2016**	**%**
	(unaudited) S$'000	(audited) S$'000	+/(-)	(unaudited) S$'000	(audited) S$'000	+/(-)
(i) Other income/(loss)						
Interest income	114	786	(85)	45	189	(76)
Fair value loss on financial derivatives	(10)	-	100	(10)	-	100
Realised loss on financial derivatives	(154)	-	100	(154)	-	100
	(50)	786	n.m.	(119)	189	n.m.
(ii) Total loss for the financial period is derived after crediting /(charging) the following:						
Depreciation of plant and equipment	(9)	(12)	(25)	(4)	(3)	33
Foreign exchange (loss)/ profit, net	(414)	523	n.m.	(122)	242	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.

	Group		Company	
	As at 31/12/2017 (unaudited) S$'000	As at 31/03/2017 (audited) S$'000	As at 31/12/2017 (unaudited) S$'000	As at 31/03/2017 (audited) S$'000
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	145,623	145,508	145,623	145,508
Treasury shares	(1,219)	(1,219)	(1,219)	(1,219)
	144,404	144,289	144,404	144,289
Other reserves				
Capital reserve	(169)	(169)	(169)	(169)
Foreign currency translation	1,709	1,880	-	-
	1,540	1,711	(169)	(169)
Accumulated losses	(101,452)	(100,379)	(102,146)	(100,622)
Non-controlling interest	(82)	45	-	-
TOTAL EQUITY	44,410	45,666	42,089	43,498
ASSETS				
Non-current assets				
Plant and equipment	13	9	12	5
Goodwill	-	-	-	-
Subsidiaries	-	-	57,918	57,918
Joint ventures	31,153	30,186	-	-
Current assets				
Other receivables, deposits and prepayments	5,159	1,277	5,009	1,184
Due from subsidiaries (non-trade)	-	-	153	-
Derivative assets	515	-	-	-
Cash and bank balances	15,990	23,124	15,919	23,092
	21,664	24,401	21,081	24,276
TOTAL ASSETS	52,830	54,596	79,011	82,199
LIABILITIES				
Current liabilities				
Trade payables	222	235	-	-
Other payables and accruals	6,643	7,056	1,614	1,819
Due to subsidiaries (non-trade)	-	-	35,308	36,882
Income tax payable	1,555	1,639	-	-
	8,420	8,930	36,922	38,701
TOTAL LIABILITIES	8,420	8,930	36,922	38,701
NET ASSETS	44,410	45,666	42,089	43,498

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 31/12/2017		As at 31/03/2017 (unaudited)	
Secured	**Unsecured**	**Secured**	**Unsecured**
S$'000	S$'000	S$'000	S$'000
-	-	-	-

Amount repayable after one year

As at 31/12/2017		As at 31/03/2017 (unaudited)	
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 Nine months ended		Group Third quarter ended	
	31/12/2017 (unaudited) S$'000	31/12/2016 (audited) S$'000	31/12/2017 (unaudited) S$'000	31/12/2016 (audited) S$'000
Cash flows from operating activities				
Loss before tax	(1,200)	(3,077)	(1,222)	(2,309)
Adjustments:				
Depreciation of plant and equipment	9	12	4	3
Fair value loss on financial derivatives	10	-	10	-
Realised loss on financial derivatives	154	-	154	-
Interest income	(114)	(786)	(45)	(189)
Share of (profit)/loss of joint venture	(831)	1,003	201	261
Unrealised foreign exchange differences	(436)	(226)	(152)	120
Operating loss before working capital changes	(2,408)	(3,074)	(1,050)	(2,114)
Other receivables, deposits and prepayments	(3,884)	(4)	476	621
Other payables and accruals	(276)	(145)	(262)	(529)
Interest received	114	786	45	189
Net cash used in operating activities	(6,454)	(2,437)	(791)	(1,833)
Cash flows from financing activities				
Advances from related parties	-	32	-	32
Redemptions of convertible notes	-	26,119	-	26,119
Net cash from financing activities	-	26,151	-	26,151
Cash flows from investing activities				
Purchase of plant and equipment	(12)	-	-	-
Investment in derivative assets	(668)	-	(363)	-
Net cash used in investing activities	(680)	-	(363)	-
Net increase/(decrease) in cash and cash equivalents	(7,134)	23,714	(1,154)	24,318
Cash and cash equivalents at beginning of financial period	23,124	646	17,144	42
Cash and cash equivalents at end of financial period	15,990	24,360	15,990	24,360

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 2017

Group	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
Balance at 1 April 2017, (audited) (restated)	**145,508**	**(1,219)**	**(169)**	**1,880**	**45**	**(100,379)**	**45,666**
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)
Contribution by and distributions to owners							
Grant of share awards	115	-	-	-	-	-	115
Balance at 31 December 2017 (unaudited)	**145,623**	**(1,219)**	**(169)**	**1,709**	**(82)**	**(101,452)**	**44,410**

	Share capital	Treasury shares	Capital reserve	Fair value reserve	Translation reserve	Accumulated losses	Total Equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 April 2016, (audited)	**145,508**	**(1,219)**	**(169)**	**325**	**1,629**	**(94,038)**	**52,036**
Loss for the financial period	-	-	-	-	-	(3,077)	(3,077)
Other comprehensive loss, net of tax	-	-	-	410	583	-	993
Total comprehensive loss for the financial period	-	-	-	410	583	(3,077)	(2,084)
Balance at 31 December 2016 (audited)	**145,508**	**(1,219)**	**(169)**	**735**	**2,212**	**(97,115)**	**49,952**

Unaudited Statement of Changes In Equity for the Financial Period ended 31 December 2017 (cont'd)

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

	Share capital	Treasury shares	Capital reserve	Accumulated losses	Total Equity
	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 April 2016, (audited)	**145,508**	**(1,219)**	**(169)**	**(96,684)**	**47,436**
Loss for the financial period	-	-	-	(1,308)	(1,308)
Total comprehensive loss for the financial period	-	-	-	(1,308)	(1,308)
Balance at 31 December (audited)	**145,508**	**(1,219)**	**(169)**	**(97,992)**	**46,128**

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	
	2017	2016
Balance at 31 December	6,424,735,828	6,386,335,828

Outstanding convertibles

The Company did not have any outstanding share convertibles as at 31 December 2017 and 31 December 2016.

Treasury shares and subsidiary holdings

Treasury shares as at 31 December 2017 was 24,200,000 (31 December 2016: 24,200,000) treasury shares held by the Company.

The subsidiary holdings as at 31 December 2017 and 31 December 2016 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 31/12/2017	As at 31/03/2017
Total number of issued shares excluding treasury shares	6,424,735,828	6,386,335,828

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Treasury shares	Number of ordinary shares 2017	2016
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 2017 as per announcement dated 10 November 2017.

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 31/12/2017 (cents)	As at 31/12/2016 (audited) (cents)	As at 31/12/2017 (cents)	As at 31/12/2016 (audited) (cent)
Loss per share attributable to the equity holder of the Company	(0.02)	(0.03)	(0.02)	(0.02)

As the Company does not have any outstanding share convertibles for the first quarter ended 31 December 2017 and 31 December 2016, the diluted profit/(loss) per share is the same as basic profit/(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 31/12/2017 (cents)	As at 31/03/2017 (audited) (cents)	As at 31/12/2017 (cents)	As at 31/03/2017 (audited) (cents)
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares	0.69	0.72	0.66	0.71

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 recorded a share of profit S$0.83 million from its joint venture for the nine months ended 31 December 2017 ("9MFY18") as compared to losses of S$1.0 million for the nine months ended 31 December 2016 ("9MFY17"). For the quarter ended 31 December 2017 ("3QFY18"), the share of loss was S$0.20 million, compared to losses of S$0.26 million for the quarter ended 31 December 2016 ("3QFY17"). The positive result is driven by the increased demand and supply for the equipment and services supplied by Hughes UnifiedNet Holding (China) Company Limited in China.

Other income is a loss for 9MFY18 due to fair value losses and realised loss in derivative assets amount to S$ 0.01 million and S$ 0.15 million respectively. Other income also consists of the 6% interest income per annum for the S$3.0 million loan granted to Zhong Ping Trading Development Company Limited ("ZP") on 15 May 2017. For the 3QFY18, the interest income from ZP amount to S$45,000. Other income of S$0.79 million for 9MFY17 was the accrued interest income of 8% per annum on the convertible notes, being the order issued by the Court of Hong Kong on 13 June 2016 as announced by the Group.

Statement of Comprehensive Income (cont'd)

Administrative expenses of S$1.7 million was lower in 9MFY18, compared to S$3.3 million in 9MFY17, as a result of lower consultancy and legal costs. For 3QFY18, the administrative expenses decreased by 62% to S$0.9 million as compared to S$2.5 million in 3QFY17. The decrease was mainly was due to professional fee incurred in 3QFY17 which resulted in the successful redemption of the available-for-sale financial assets on 2 November 2016.

The Group incurred finance expenses which is mainly foreign exchange loss of S$0.41 million for 9MFY18 compared to a foreign exchange gain of S$0.53 million in 9MFY17. For 3QFY2018, the foreign exchange loss was S$0.1 million as compared to a foreign exchange gain of S$0.2 million for 3Q2018. This was due to the strengthening of Singapore Dollar (SGD) against the Hong Kong Dollar (HKD) in 9MFY18 as the Group maintained cash mainly in HKD.

Taking the above into account, the Group recorded a 61% decrease in net loss of S$1.2 million for 9MFY18 as compared to a net loss of S$3.1 million in 9MFY17.

Statement of Financial Position

The net carrying value of the joint venture has increased by approximately S$0.83 million to S$31.0 million due to our share of profit for the 9MFY18.

Included in Other receivables, deposits and prepayments is 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$1.1 million. The shares are held as a collateral and the Group has the economic and monetary rights and benefits as per announced by the Group on 20 February 2017. Included in this category is an amount due from ZP being the loan amounted to S$3.0 million granted and an amount due from JeeOne International Holding Limited for the subscription of convertible notes with the principal amount of RMB4.3 million amounted to approximately S$0.92 million.

Derivative assets refers to the forward contracts amounted to S$0.5 million which the Group has invested during the financial period through its subsidiary.

Other payables and accruals mainly consist of deferred liabilities, provision for directors' fee and other accruals amounting to approximately S$4.0 million, S$0.9 million and S$0.7 million respectively.

The slight decrease in income tax payable was mainly due to translation difference between Indonesia Rupiah ("IDR") and Hong Kong Dollar ("HKD") against Singapore Dollar as the tax payables are denominated in IDR and HKD.

Cash Flow

The Group's cash and cash equivalents as at 31 December 2017 stood at S$16.0 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 has, in November 2014, 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.

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 Board of Directors of NGSC Limited refers to the announcements dated 10 November 2014 and 10 August 2017 in relation to the alleged irregularities in relation to the acquisition of the MSN Group, and wishes to update the Shareholders that Ernst & Young Advisory Pte. Ltd. ("E&Y"), following the completion of the report on its findings relating to the fund place with a finance company ("E&Y") which the Company has announced on 31 October 2014 and which Company diligently reported and dealt with, has completed its further investigation into the acquisition of Multi Skies Nusantra Limited and its subsidiaries, and has issued a report ("the E&Y II") on its findings to the Company.

The Board of Directors has carefully considered the content of the report and on 1 February 2018, the Group has announced that a Special Committee has been convened to seek legal advice, on the basis of the E&Y II Report findings, in relation to (i) the continuing obligation (if any) of the Company under the Listing Rules and Companies Act, (ii) the extent of any damage (if any) caused to the Company arising from these matters that took place in the past under previous management; and (iii) the appropriate action (including any legal action if deemed appropriate) that the Company can reasonably take. While the current management do not foresee any material financial impact arising from the E&YII Report, WongPartnership LLP has now been engaged by the Special Committee to provide legal advice on the matter to recommend course of action warranted by the findings inclusive of nonfinancial breaches.

In addition, on 5 February 2018, the Group also announced the extension of the Group's structure in support of its platform on the management of investments. NGSC Capital Limited, a wholly-owned Cayman Islands subsidiary of NGSC Capital Pte. Ltd., entered into a shareholders' agreement with an independent third party to jointly incorporate a Cayman Islands company Indo EM Growth Fund GP Holdings Limited. Indo EM Growth Fund GP Holdings Limited is the holding company of the Cayman Islands subsidiary Indo EM Growth Fund GP Limited, the general partner that registered a Cayman Islands exempted limited partnership, Indo EM Growth Fund LP.

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 2017.

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

Ku Vicente S.
Managing Director and Chief Executive Officer

14 February 2018

NGSC LIMITED

Co. Reg. No.196400100R

Unaudited Third Quarter Financial Statements for the Financial Period Ended 31 December 2017

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 THIRD QUARTER ENDED 31 DECEMBER 2017

We, Ku Vicente S. and Andrew Coulton, 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 third quarter ended 31 December 2017 to be false or misleading in any material aspect.

For and on behalf of the Board of Directors

Ku Vicente S.
Managing Director and
Chief Executive Officer

Andrew Coulton
Non-executive Non-Independent Chairman

14 February 2018