NGSC LIMITED

(formerly known as Next-Generation Satellite Communications Limited)
(Company Registration No.196400100R)

MATERIAL DIFFERENCE BETWEEN UNAUDITED FINANCIAL STATEMENTS AND AUDITED FINANCIAL STATEMENTS

The Board of Directors (the "**Board**") of NGSC Limited (the "**Company**") and together with its subsidiaries (the "**Group**") refers to the unaudited full year results announcement for the financial year ended 31 March 2020 ("**FY2020**") ("**Unaudited FY2020 Results**") released on 28 May 2020.

Pursuant to Rule 704(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Board wishes to highlight that there were certain material differences between the audited financial statements for FY2020 and the Unaudited FY2020 Results following the finalisation of the audit. Details and clarifications of the differences are set out as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

		Audited S$'000	Unaudited S$'000	Difference S$'000	Note
Revenue		**-**	**-**	-	**n.a**
Other income	(i)	21,550	3,335	(18,215)	**1**
Other expense	(i)	(1,935)	(1,931)	4	**n.m**
Administrative expenses		(1,779)	(1,781)	(2)	**n.m**
Share of profit of joint venture		1,763	1,763	-	**-**
Profit before tax		**19,599**	**1,386**		
Income tax credit		116	116	-	**n.a**
Profit for the financial year	(iii)	**19,715**	**1,502**		
Other comprehensive income:					
Currency translation differences arising from consolidation		493	493	-	**-**
Total comprehensive income		**20,208**	**1,995**		

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	Group			
	Audited S$'000	Unaudited S$'000	Difference S$'000	Note S$'000
Non-current assets				
Plant and equipment	240	2	238	**2**
Subsidiaries	-	-	-	**n.a**
Joint ventures	22,736	4,521	18,215	**1**
	22,976	4,523	18,453	
Current assets				
Other receivables, deposits and prepayments	93	93	-	**n.a**
Due from subsidiaries (non-trade)	-	-	-	**n.a**
Derivative assets	-	-	-	**n.a**
Income tax payable	2	2	-	**n.a**
Cash and bank balances	15,463	15,463	-	**n.a**
	15,558	15,558		
TOTAL ASSETS	38,534	20,081		
LIABILITIES				
Current liabilities				
Trade payables	11	11	-	**n.a**
Other payables and accruals	1,089	1,089	-	**n.a**
Lease Liability	86	-	86	**2**
	1,186	1,100		
Non current liabilities				
Lease liability	154	-	154	**2**
TOTAL LIABILITIES	1,340	1,100		
NET ASSETS	37,194	18,981		
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	145,623	145,623	-	**n.a**
Treasury shares	(1,219)	(1,219)	-	**n.a**
	144,404	144,404		
Other reserves				
Capital reserve	(169)	(169)	-	**n.a**
Foreign currency translation reserves	2,632	2,632	-	**n.a**
Settlement shares	(1,140)	(1,140)	-	**n.a**
	1,323	1,323		
Accumulated losses	(108,463)	(126,676)	18,213	**1**
Non-controlling interest	(70)	(70)	-	**n.a**
TOTAL EQUITY	37,194	18,981		

NOTES:

1. This pertains to the audit adjustment arising from the impairment test performed on the Investment in Joint Venture. A reversal of impairment loss of $18.22 million was recognised in the current financial year to its recoverable amount of $22.7 million.

2. The Group has adopted SFRS(I) 16 on 1 April 2019 and these lease payments (rental of premise) have been recognised as right-of-use assets (within property, plant and equipment) and lease liabilities on the statement of financial position as at 31 March 2020.

By Order of the Board
NGSC Limited

Lye Meng Yiau
Managing Director
15 June 2020