NGSC LIMITED

Company Registration No.196400100R

PROPOSED DISPOSAL OF ENTIRE SHAREHOLDING INTEREST IN TELEMEDIA PACIFIC COMMUNICATIONS PTE. LTD. ("TPC")

1. SALE AND PURCHASE AGREEMENT

1.1 The Board of Directors (the "**Board**") of NGSC Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company has today executed a sale and purchase agreement ("**SPA**") with an unrelated third party, Huge Mega Limited (the "**Purchaser**"), for the disposal of 2 ordinary shares in the capital of TPC (the "**Sale Shares**"), representing the entire paid-up share capital of TPC, for an aggregate sale consideration ("**Sale Consideration**") of S$1,158,679 (the "**Proposed Disposal**").

1.2 The Sale Consideration will be paid in cash upon completion of the Proposed Disposal ("**Completion**") in the manner provided in paragraph 5.2 of this announcement.

2. INFORMATION ON TPC AND THE PURCHASER

TPC is an investment holding company incorporated in the Republic of Singapore and has a total issued and paid up capital of S$2 divided into 2 ordinary shares. Multi Skies Nusantra Limited, PT Karunia Anugerah Mitra Utama and PT Multi Skies Nusantara are wholly-owned subsidiaries of TPC. The Purchaser is not related to any director or controlling shareholder and their associates of the Company.

3. VALUE OF SALE SHARES

The Sale Consideration of S$1,158,679 was arrived on a willing-buyer willing-seller basis, and has taken into account the unaudited net assets value of S$9,693 and unaudited net profit before tax of S$342,355 of the Sale Shares as at 30 September 2019. No valuation was commissioned in respect of the Sale Shares. The gain arising on the proposed disposal is S$1,974,106.

4. RATIONALE FOR THE PROPOSED DISPOSAL

The Company has determined that the ownership of TPC and its subsidiaries is not strategic to the Company and could save by disposing a loss-making subsidiary. In addition, the Company is of the view that the Proposed Disposal will free up capital for deployment to other opportunities that can potentially generate better returns for the Group. The Company intends to use the net proceeds of approximately S$1,158,679 from the Proposed Disposal to strengthen its existing businesses, while keeping a look out for business opportunities that can generate higher value to the shareholders of the Company.

5. MATERIAL TERMS OF SPA

5.1 Completion is conditional upon, *inter alia*, the following conditions being fulfilled or waived:

(i) the Company having obtained all necessary approvals and consents for entering into the SPA and carrying out the transactions contemplated thereunder, including without limitation, the passing of a resolution by the Company's Board of Directors approving the transactions contemplated thereunder;

(ii) the waiver of any restrictions on transfer (including rights of pre-emption) which may exist in relation to the Sale Shares, whether under the Constitution of TPC or otherwise; and

(iii) Completion by the Purchaser of a satisfactory due diligence (as determined by the Purchaser in its absolute discretion) on the financial condition, assets and liabilities of each of TPC subsidiaries.

5.2 Completion will occur on 15 February 2020 after the fulfilment or waiver (as the case may be) of the conditions precedent set out in paragraph 5.1 of this announcement. Upon completion of the Proposed Disposal, TPC and its subsidiaries, Multi Skies Nusantra Limited, PT Karunia Anugerah Mitra Utama and PT Multi Skies Nusantara (collectively "**TPC Group**") will cease to be subsidiaries of the Company.

6. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

The financial effects of the Proposed Disposal set out below are purely for illustrative purposes only and do not reflect the future financial position of the Company or the Group after completion.

6.1 Net Tangible Assets ("NTA") per share

The effect of the Proposed Disposal on the NTA per share of the Group for the financial year ended 31 March 2019 ("**FY2019**"), assuming that the Proposed Disposal had been effected at the end of FY2019 is as follows:

	Before the Proposed Disposal	After the Proposed Disposal
NTA (S$'000)[(1)]	S$16,985,850	S$16,936,397
Number of shares[(2)]	6,448,935,828	6,448,935,828
NTA per share (S$)	S$0.0026	S$0.0026

Notes:

(1) Based on the audited NTA of the Group as at 31 March 2019. NTA is total assets less total liabilities, excluding non-controlling interests.

(2) Based on 6,448,935,828 total issued shares of the Company as at the date of this announcement, excluding 24,200,000 treasury shares.

6.2 Profit Per Share ("PPS")

The effect of the Proposed Disposal on the PPS of the Group for FY2019, assuming that the Proposed Disposal had been effected at the beginning of FY2019 is as follows:

	Before the Proposed Disposal	After the Proposed Disposal
Net profit attributable to ordinary shareholders of the Company (S$'000)[(1)]	S$538,356	S$1,732,441
Number of shares[(2)]	6,448,935,828	6,448,935,828
Basic PPS share (cents)	0.008	0.03

Notes:

(1) Based on the audited net profit attributable to owners of the Company for FY2019.
(2) Based on 6,448,935,828 total issued shares of the Company as at the date of this announcement, excluding 24,200,000 treasury shares.

7. RELATIVE FIGURES COMPUTED BASED ON RULE 1006 OF THE LISTING MANUAL

The relative figures for the Proposed Disposal computed on the bases set out in Rule 1006 of the listing manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST Listing Manual**") are set out below:

Rule 1006 (a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value as at 30 September 2019(1)	0.06%
Rule 1006 (b)	The net profit attributable to the assets acquired or disposed of, compared with the Group's net loss for the half year ended 30 September 2019 ("**1H2020**")(2)	Not meaningful
Rule 1006 (c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares(3)	17.96%
Rule 1006 (d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable
Rule 1006 (e)	The aggregate volume or amount of proven and probable reserves to be disposed of compared with the aggregate of the group's proven and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets	Not applicable

Notes:

(1) Based on the unaudited net asset value of the Sale Shares of S$ 9,693 and the Group's unaudited net asset value of S$15,845,192 as at 30 September 2019. Net asset value is total assets less total liabilities.

(2) Based on the unaudited net profit before tax attributable to the Sale Shares of S$342,355 and the Group's unaudited net loss of S$1,217,653 for 1H2020. The net profit before tax of the Sale Shares excludes a waiver of debts by TPC Group due to NGSC Limited of S$9,406,216 which is non trade in nature.

(3) Based on the Sale Consideration of S$1,158,679 and the Company's market capitalisation of S$6.45 million on 3 January 2020 (being the last trading day preceding the date of the SPA).

On the basis of Rule 1006 above, the Proposed Disposal is a "discloseable transaction" as defined in Rule 1010 of the SGX-ST Listing Manual.

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Disposal, save through their shareholdings (if any) in the Company.

9. SERVICE AGREEMENT

No Director is proposed to be appointed in connection with the Proposed Disposal.

10. DOCUMENT FOR INSPECTION

A copy of the SPA is available at the Company's registered office at 20 Collyer Quay, #01-02 Singapore 049319 for three months from the date of this announcement.

BY ORDER OF THE BOARD

Lye Meng Yiau
Managing Director
6 February 2020