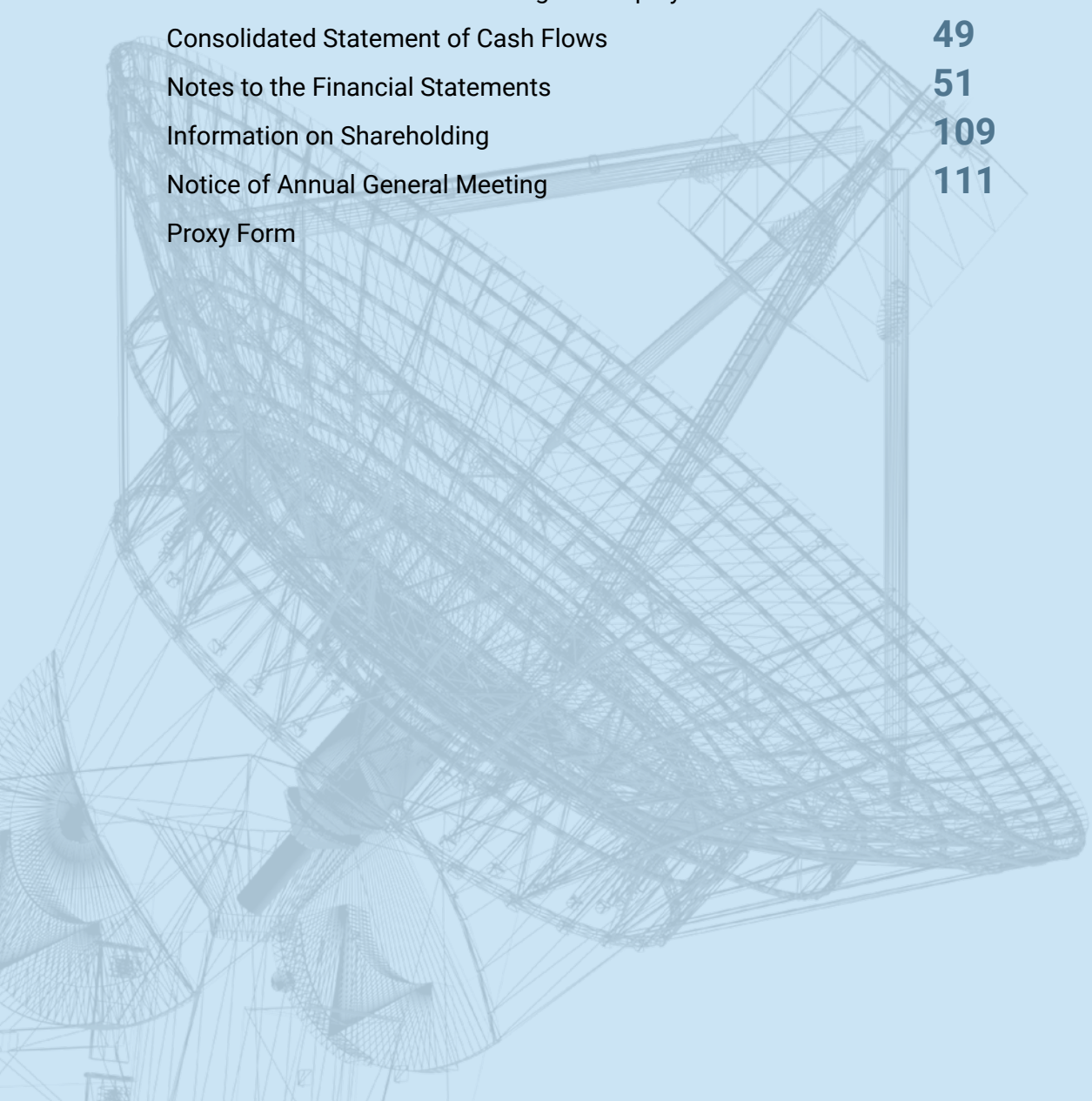


NGSC LIMITED

Annual report 2020

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LETTER TO SHAREHOLDERS

Dear Shareholders,

On behalf of the Board of Directors (the "Board") and Management of NGSC Limited ("NGSC" or the "Group"), I am pleased to present to you the annual report of the Group for the financial year ended 31 March 2020 ("FY2020").

FINANCIAL REVIEW

During the financial year in review, the Group recorded a share of profit of S$1.8 million from its joint venture, as compared to a share of profit of S$0.9 million for the prior financial year ended 31 March 2019 ("FY2019"). This highlights a doubling in the contribution from the joint venture as it continues to improve in its satellite broadband products and services in the People's Republic of China.

The Group for FY2020 also recognised a foreign exchange loss of S$1.9 million compared to a foreign exchange loss of S$0.4 million for FY2019. This was mainly due to the Group's exposure on its foreign currency denominated assets against the Singapore dollar.

Other income of S$21.55 million consists mainly of a gain on disposal of subsidiaries amounting to S$2.7 million and a reversal of impairment of joint venture amounting to S$18.0 million. The reversal of impairment arise due to the higher carrying value in FY2020, compared to S$2.5 million in FY2019. Included in other income also comprises interest received amounting to approximately S$0.1 million for FY2020 derived from fixed deposits placed with local banks generated interest ranging from 1.50% to 1.87% per annum, non-trade payables written back and reversal of impairment loss of other receivables.

Other expenses of S$1.9 million were also higher in FY2020, as compared to S$1.2 million in FY2019, due to a provision for doubtful debts owing to the joint venture for the fund management business undertaken by the previous management of approximately S$0.8 million made in FY2019. There was no provision made for the joint venture for FY2020.

Administrative expenses of S$1.8 million in FY2020 were slightly higher as compared to S$1.6 million in FY2019. Taking the above into account, the Group recorded a net profit of S$20.0 million for FY2020 as compared to a net profit of S$0.5 million in FY2019.

OUTLOOK

The Group noted that the operating environment would be challenging going forward. The Group will work on increasing shareholders value. The onset of the COVID-19 situation is expected to have an impact on project rollouts and the Group will resume work on its business when the COVID-19 associated travel restrictions are lifted. The Group will remain vigilant on costs, credit and cash management in response to the volatile operating environment.

UPDATE ON THE DIRECTED DELISTING AND PROPOSED EXIT OFFER

On 3 December 2019, we received a Notification of Delisting from the Singapore Exchange Securities Trading Limited ("SGXST"). The Company has been working on Exit Offer proposal(s) but the efforts have been hampered by the current pandemic and circuit breaker in Singapore and across the regions. Nevertheless the Board will continue to pursue all viable avenues.

LETTER TO SHAREHOLDERS

CHANGES TO THE BOARD

In October 2019, we were pleased to announce the appointment of Mr Chew Chin Wee as Independent Director, chairman of the Audit Committee and also member of the Nominating Committee. Mr Chew has extensive financial management experience with an MNC. On 23 May 2020, we also welcomed the joining of Madam Wang Xiao Zheng as Non-Executive Non-Independent Director and Mr Miao Ming Feng as Independent Director, Chairman of Remuneration Committee and member of the Audit Committee. On 29 May 2020, we were also pleased to announce the appointment of Mr Ong Tiang Lock as Lead Independent Director, Chairman of Nominating Committee and member of the Audit Committee and Remuneration Committee. Mr Ong has extensive experience in finance, banking and accountancy in Hong Kong SAR, China, Singapore, Malaysia, and the USA.

ACKNOWLEDGEMENTS

For the past few years, the Group has faced numerous challenges and we are doing our utmost to tackle them one by one. In closing, I would like to extend my sincere appreciations to my fellow Directors for their support, valuable inputs and wise counsel; the Management and Staff of NGSC for their loyalty, dedication and contributions to the Group.

To our partners and business associates, I would like to express my sincere appreciation for their continuing support. Finally, I would like to specially thank our shareholders for the continued support and belief in NGSC despite the challenging business environment.

Thank you.

Lye Meng Yiau
Managing Director

BOARD OF DIRECTORS

DR MICHAEL KUAN-CHI SUN
Executive Director

Dr Michael Kuan-Chi Sun was appointed to the Board in March 2014. Dr Sun worked with the Hughes Network Systems, LLC (and together with its subsidiaries, "Hughes Group") for more than 20 years, before taking up his current position as CEO of HughesNet China, a joint venture between NGSC and Hughes Group. Dr Sun is credited with the establishment of Hughes' operations in China and its development into a dominant supplier of very small aperture terminal ("VSAT") systems, with customers in almost every major government organisation in China. Prior to working for Hughes, Dr Sun was employed by General Electric Information Systems ("GE"), where he was responsible for marketing and development of GE's centralised time-sharing information network service.

Before GE, Dr Sun worked for Sprint Telenet as Senior Director, Network Design. Dr Sun started his career with Computer Sciences Corporation where he was a senior program analyst supporting NASA Goddard Space Flight Center.

Dr Sun received his PhD in Physical Chemistry from Georgetown University in 1976. He also holds a MSc in Computer Science from The Johns Hopkins University, an MBA from Marymount University of Virginia and a BSc from National Cheng Kung University in Taiwan in 1970.

LYE MENG YIAU
Managing Director

Mr Lye Meng Yiau was appointed to the Board in August 2014. Prior to his appointment, he was Vice President at OWW Capital Partners. He has more than 10 years of experience in Mergers & Acquisitions as well as Strategic Investments within the Heidelbergcement Group. Mr Lye has worked on investment projects in technology, infrastructure and utilities.

He started his career as an analyst in a subsidiary of Temasek Holdings after graduating with a Bachelor of Business Administration from the National University of Singapore.

SRI TJINTAWATI HARTANTO
Non-Executive Non-Independent Director

Madam Sri Tjintawati Hartanto was appointed to the Board in January 2009. She is a non-executive director who supports the Company in its affairs. She possesses more than 20 years of experience in accounting, finance and administration.

Madam Hartanto graduated with a Bachelor of Accountancy from Surabaya University in Indonesia. She was born and educated in Indonesia, and is currently a permanent resident in Hong Kong.

WANG XIAO ZHENG
Non-Executive Non-Independent Director

Madam Wang Xiao Zheng was appointed to the Board in May 2020. Madam Wang holds over 30 years of working experience in China's telecommunications industry. Prior to her appointment, Madam Wang was the Deputy General Manager and Senior Engineer of the network operation department of China Telecom Co., Ltd. Satellite Communications Branch from April 2009 to July 2019.

From October 1987 to January 1992, she served as a Project Manager and Engineer at the Data Communication Institute of the Ministry of Posts and Telecommunications. Subsequently, she served as a Senior Project Manager and Senior Engineer in Newbridge Corporation of Canada from February 1992 to October 1999; a Director and Senior Engineer of the Internet and E-Commerce Department of China United Network Communications Group Co., Ltd. from February 2000 to May 2006; and as a Deputy General Manager, Senior Engineer from May 2006 to April 2009 at the Network of China Satellite Communications Corporation.

BOARD OF DIRECTORS

Madam Wang obtained her Bachelor's Degree in Telecommunications Engineering from Nanjing University of Posts and Telecommunications in July 1987. She further obtained an ITSM graduation certificate and an international ITIL foundation certificate from HP&CEIBS in October 2003.

ONG TIANG LOCK
Lead Independent Director

Mr Ong Tiang Lock was appointed to the Board in May 2020. Prior to his appointment, Mr Ong was the Chief Operating Officer of Kingkey Financial International (Holdings) Limited, a company listed on the mainboard of the Hong Kong Stock Exchange from April 2017 to March 2020 and was responsible for the Human Resources, Information Technology and day-to-day operations.

Mr Ong has more than 30 years of experience in accounting, banking and finance in Hong Kong SAR, China, Singapore, Malaysia and the USA. He began his career with an international accounting firm with postings in Shanghai, Kuala Lumpur and New York with the Financial Services Group. He has also previously held senior positions in various listed companies in Hong Kong, Malaysia and Singapore

Mr Ong is a fellow of the Hong Kong Institute of Certified Public Accountants, a fellow of the Association of Certified Chartered Accountants, a Chartered Accountant of the Malaysian Institute of Accountants, a member of the Malaysian Institute of Certified Public Accountants and a member of Hong Kong Securities and Investment Institute. Mr Ong holds a Master's degree in Business Administration (with distinction) from the University of Hull.

CHEW CHIN WEE
Independent Director

Mr Chew Chin Wee is a trained CPA and has a career in finance roles with medtech and hospital groups. He is currently Executive Director and Financial Controller of ResMed's Asia business unit in Singapore. Mr Chew is also on the board of a chain of aesthetic treatment centres.

Mr Chew holds a Bachelor of Business Administration from the National University of Singapore and is a member of the Institute of Singapore Chartered Accountants and the Association of Chartered Certified Accountants.

MIAO MING FENG
Independent Director

Mr Miao Ming Feng was appointed to the Board in May 2020 as an Independent Director. Mr Miao is currently the Chairman of Waycoo United Holding Group since January 2005 and also the General Manager of Waycoo Real Estate Co., Ltd.

Mr Miao holds a Degree in Finance and Economics from the Dongbei University of China.

KEY MANAGEMENT

KOIT VEN JEE
Financial Controller

Mr Koit Ven Jee joined the Group in August 2012 and was appointed as Regional Finance Manager in February 2014. In December 2016, he was appointed as Financial Controller and is responsible for the Group's overall finance and accounting functions (the Company and its subsidiaries), including risk compliance and reporting functions in accordance with the Singapore laws and regulations.

Mr Koit has over 15 years of experience in the areas of financial and management accounting, taxation and including audit and assurance. Prior to joining the Group, he was with audit firms such as Crowe Horwath LLP, BDO LLP, Baker Tilly Malaysia and Crowe Horwath Malaysia, providing audit services to a broad range of clients including technology, manufacturing, trading, construction, shipping, as well as other private and public-listed companies.

Mr Koit also served as an Independent Director and Audit Committee Chairman of another SGX listed company from January 2019 to February 2020. Mr Koit has obtained his professional accountancy qualification from the Association of Chartered Certified Accountants (ACCA) and is a member of the Institute of Singapore Chartered Accountants.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dr Michael Kuan-Chi Sun
(Executive Director)

Mr Lye Meng Yiau
(Managing Director)

Madam Sri Tjintawati Hartanto
(Non-Executive Non-Independent Director)

Madam Wang Xiao Zheng
(Non-Executive Non-Independent Director)

Mr Ong Tiang Lock
(Lead Independent Director)

Mr Chew Chin Wee
(Independent Director)

Mr Miao Ming Feng
(Independent Director)

REGISTERED OFFICE

20 Collyer Quay
#01-02 Singapore 049319
Tel: (65) 6479 3866 Fax: (65) 6479 3867

NOMINATING COMMITTEE

Mr Ong Tiang Lock *(Chairman)*
Mr Chew Chin Wee
Madam Sri Tjintawati Hartanto

REMUNERATION COMMITTEE

Mr Miao Ming Feng *(Chairman)*
Mr Ong Tiang Lock
Madam Wang Xiao Zheng

AUDIT COMMITTEE

Mr Chew Chin Wee *(Chairman)*
Mr Ong Tiang Lock
Mr Miao Ming Feng

SHARE REGISTRARS AND WARRANT AGENT

B.A.C.S. Private Limited
8 Robinson Road
#03-00 ASO Building
Singapore 048544

AUDITORS

RT LLP
Public Accountants and Certified Public Accountants
1 Raffles Place
#17-02 One Raffles Place
Singapore 048616
Partner-in-charge: Ravinthran Arumugam
(Appointed with effect from financial year ended 31 March 2019)

REPORT OF CORPORATE GOVERNANCE

The Board of Directors (the "Board") of NGSC Limited is committed to maintaining a high standard of corporate governance within the Group. The Company has, put in place and adopted various principles, policies, and practices complying with revised Code of Corporate Governance 2018 ("the Code") where it is applicable and practical to the Group in the context of the Group's business and organisation structure.

The Company is pleased to report that it has generally adhered to the principles and guidelines as set out in the Code and exceptions are explained below.

BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

Provision 1.1

Directors are fiduciaries who act objectively in the best interests of the Company and hold Management accountable for performance. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the Company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

The Board is entrusted with the responsibility of the overall management of the business and corporate affairs of the Group. Every Director is expected, in the course of carrying out his duties, to act in good faith and to consider at all times the interests of the Company.

The principal functions of the Board are to:-

(a) approve the Group's key business strategies and financial objectives, including the review of annual budgets, major investments / divestments, and funding proposals;

(b) oversee the processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance;

(c) review and monitor the Management's performance;

(d) set the Company's values and standards, and ensure that obligations to shareholders and other stakeholders are understood and met; and

(e) approval of interested person transactions.

REPORT OF CORPORATE GOVERNANCE

Provision 1.2

Directors understand the Company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the Company's expense. The induction, training and development provided to new and existing Directors are disclosed in the Company's Annual Report.

The Directors are welcome to request further explanations, briefings or informal discussions on any aspects of the Company's operations or business issues from the Management. The Managing Director will make the necessary arrangements for the briefings, informal discussions or explanations required by the Director.

Newly appointed Directors will undergo an orientation program and will be provided with materials to help them familiarise themselves with the business and governance practices of the Company.

Where necessary, the Directors will be updated on the latest governance and listing policies that are relevant to the Group. All Directors are also updated regularly concerning any changes in Company policies.

Provision 1.3

The Board decides on matters that require its approval and clearly communicates this to Management in writing. Matters requiring Board approval are disclosed in the Company's Annual Report.

Matters that specifically require the Board's decision or approval are:-

- Corporate strategy and business plans;
- Material investment and divestment proposals;
- Funding decisions of the Group;
- Nominations of Directors and appointment of key personnel;
- Announcement of financial results, the annual report and accounts;
- Material acquisitions and disposal of assets and material expenditures; and
- All matters of strategic importance.

Provision 1.4

Board Committees, including Executive Committees (if any), are formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. The names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions, and a summary of each committee's activities, are disclosed in the Company's Annual Report.

All other matters are delegated to committees whose actions will be monitored by the Board. These committees include the Audit Committee ("AC"), the Nominating Committee ("NC") and the Remuneration Committee ("RC") which operate within clearly defined terms of reference and functional procedures. The Composition of AC, NC and RC are disclosed under various provisions of this Report.

Provision 1.5

Directors attend and actively participate in Board and Board Committee meetings. The number of such meetings and each individual director's attendances at such meetings are disclosed in the Company's Annual Report. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each Company.

The Board conducts regular scheduled meetings on a quarterly basis and where the circumstances require, ad-hoc meetings are arranged. Attendance of the Directors via telephone conference is allowed under the Company's Constitution. The Board may also make decisions by resolutions in writing. The number of Board and Board Committees' meetings held and attended by each Director during financial year ended 31 March 2020 ("FY2020") are as follows:-

Name of Director	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	No. of Meetings		No. of Meetings		No. of Meetings		No. of Meetings	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Dr. Michael Kuan-Chi Sun	6	6	-	-	-	-	-	-
Mr Lye Meng Yiau	6	6	-	-	1	1	-	-
Madam Sri Tjintawati Hartanto	6	5	-	-	-	-	1	1
Mr Edward Fu Shu Sheen[1]	6	5	4	4	1	1	1	1
Mr Ng Hsian Pin[2]	6	5	4	4	1	1	1	1
Mr Chew Chin Wee[3]	3	3	2	2	-	-	-	-

(1) Resigned on 28 May 2020
(2) Resigned on 12 May 2020
(3) Appointed on 15 October 2019

Provision 1.6

Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.

The Company makes available to all Directors management accounts, as well as the relevant background or explanatory information relating to matters that are to be discussed at the Board meetings. Detailed board papers are sent out to the Directors before the scheduled meetings so that the members may be informed of the issues before hand and have sufficient time to formulate questions that they may have. In respect of budgets, any material variance between the forecasts and actual results is reviewed by the Board and disclosed and explained by Management, where required by the Board.

REPORT OF CORPORATE GOVERNANCE

Provision 1.7

Directors have separate and independent access to Management, the company secretary, and external advisers (where necessary) at the Company's expense. The appointment and removal of the company secretary is a decision of the Board as a whole.

The Directors have also been provided with the contact details of the Company's Senior Management and Company Secretary to facilitate separate and independent access.

The Company Secretaries and/or his/her representatives attend Board meetings and assist the Board in ensuring that the Company complies with the relevant requirements of the Companies Act, Chapter 50, and the provisions in the Listing Manual of the SGX-ST. The appointment and removal of the Company Secretaries would be a matter for the Board as a whole to decide.

Each Director has the right to seek independent legal and other professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfill their duties and responsibilities as Directors.

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

Provision 2.1

An "independent director" is one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the Company.

(i) As at the date of this report, the Board comprises three Independent Directors, two Non-Executive Non-Independent Directors and two Executive Directors as follows:-.

Executive Directors	
Dr. Michael Kuan-Chi Sun	(Executive Director)
Mr Lye Meng Yiau	(Managing Director)
Non-Executive Non-Independent Directors	
Madam Sri Tjintawati Hartanto	(Non-Executive Non-Independent Director)
Madam Wang Xiao Zheng	(Non-Executive Non-Independent Director)
Independent Directors	
Mr Ong Tiang Lock	(Lead Independent Director)
Mr Chew Chin Wee	(Independent Director)
Mr Miao Ming Feng	(Independent Director)

As there are three Independent Directors on the Board, there is a strong independent element on the Board, thereby allowing it to exercise objective judgment on all matters independently from the Management.

(ii) The independence of each Director is reviewed annually by the NC, which adopts the Code's definition of what constitutes an Independent Director. The NC is of the view that the Independent Directors, namely Mr Ong Tiang Lock, Mr Chew Chin Wee and Mr Miao Ming Feng are independent.

Provision 2.2

Independent directors make up a majority of the Board where the Chairman is not independent.

As at the date of this report, the Board had three Independent Directors. The Board is aware of the requirement that Independent directors shall make up a majority of the Board where the Chairman is not independent. As currently, there is no Chairman of the Board appointed, there is no deviation from this provision. Nevertheless, the NC and the Board will keep this matter under regular review, and will make such changes as are necessary to further enhance the standard of corporate governance.

Provision 2.3

Non-executive directors make up a majority of the Board.

As at the date of this report, the Board has five Non-Executive directors representing majority of the Board.

Provision 2.4

The Board and Board Committees are of an appropriate size, and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the Company's Annual Report.

The NC is satisfied that the Board consists of persons who, together, will provide core competencies necessary to meet the Company's objectives. It is also of the view that the current Board size of seven Directors is appropriate for effective decision making, taking into account the scope and nature of the Company's business. The NC is of the view that no individual or small group of individuals dominates the Board's decision-making processes.

While the Board and NC have not implemented a fixed diversity policy, the composition of the Board is reviewed on an annual basis by the NC to ensure that the Board has appropriate mix of expertise and experience to enable management to benefit from a diverse perspective in reviewing the issues that are brought before the Board.

Provision 2.5

Non-Executive Directors and/or Independent Directors, led by the Independent Chairman or other Independent Director as appropriate, meet regularly without the presence of Management. The Chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.

All Non-Executive Directors, led by the Lead Independent Director, meet regularly with the Executive Directors and management to develop strategies for the Group, review the performance of management, assess remuneration and discuss corporate governance matters. Where warranted, the Independent Non-Executive Directors meet for discussions before the Board meetings in the absence of management. The Lead Independent Director provides feedback to the Board as appropriate.

REPORT OF CORPORATE GOVERNANCE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provision 3.1

The Chairman and the Chief Executive Officer ("CEO") are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making.

The Company keeps the posts of Chairman and Chief Executive Officer separate. There is a clear division of responsibilities between the Chairman and the Chief Executive Officer, which will ensure a balance of power and authority. Keeping the two posts separate will also ensure increased accountability and greater capacity of the Board for decision-making.

As at the date of this report, the Company is in the midst of appointing the Chairman of the Board. Mr Lye Meng Yiau is the Managing Director of the Company.

Provision 3.2

The Board establishes and sets out in writing the division of responsibilities between the Chairman and the CEO.

The Managing Director, Mr Lye Meng Yiau, with the team of key executive officers, is responsible for the day to day management of the Group's operations.

As at the date of this report, the Company is in the midst of appointing the Chairman of the Board. The Executive Director Dr. Michael Kuan-Chi Sun, along with other board members, is working together with the Managing Director in scheduling of meetings (with the assistance of the Company Secretarial agent) to enable the Board to perform its duties responsibly while not interfering with the flow of the Group's operations.

The Managing Director, along with other board members, also exercise control over quality, quantity and timeliness of the flow of information between the Management and the Board and assist in ensuring the Group's compliance with the Code.

Provision 3.3

The Board has a Lead Independent Director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent.

The Lead Independent Director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.

Mr Ong Tiang Lock is the Lead Independent Director of the Company, who is available to address shareholders' concerns on issues that has not been satisfactorily resolved or cannot be appropriately dealt with by the Managing Director or the Financial Controller.

REPORT OF CORPORATE GOVERNANCE

BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Provision 4.1

The Board establishes a Nominating Committee ("NC") to make recommendations to the Board on relevant matters relating to:

(a) the review of succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;

(b) the process and criteria for evaluation of the performance of the Board, its Board Committees and directors;

(c) the review of training and professional development programmes for the Board and its directors; and

(d) the appointment and re-appointment of directors (including alternate directors, if any).

The NC has been established with written terms of reference and as at the date of this report comprises three Independent Directors.

The main terms of reference of the NC are as follows:-

- To review nominations for the appointment and re-appointment to the Board and the various Board Committees;

- To decide on the evaluation criteria of the Board, propose an objective performance criteria to assess effectiveness of the Board as a whole and the contribution of each Director;

- To decide whether a Director is able to and has been adequately carrying out his duties as Director of the Company (in a case where the Director has multiple board representations);

- To ensure that Directors submit themselves for re-nomination and re-election at regular intervals and at least once in every three years; and

- To determine, on an annual basis, whether a Director is independent.

Key information regarding the Directors is set out under "Board of Directors" section of this Annual Report.

Provision 4.2

The NC comprises at least three directors, all of whom, including the NC Chairman, are independent. The Lead Independent Director, if any, is a member of the NC.

As at the date of this report, the members of NC are:-

Mr Ong Tiang Lock	(Chairman, Lead Independent Director)
Mr Chew Chin Wee	(Member, Independent Director)
Madam Sri Tjintawati Hartanto	(Member, Non-Executive Non-Independent Director)

REPORT OF CORPORATE GOVERNANCE

Provision 4.3

The Company discloses the process for the selection, appointment and re-appointment of directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates in the Company's annual report.

The NC is responsible for the re-nomination of the Directors. Regulation 91 of the Company's Constitution requires one-third of the Directors to retire from office at least once in every three years at the Company's AGM. The NC has recommended to the Board that Mr Lye Meng Yiau be nominated for re-election at the forthcoming AGM pursuant to Regulation 91 of the Company's Constitution. In making the recommendations, the NC had considered the Directors' overall contributions and performance. Mr Lye Meng Yiau will, upon re-election as Director of the Company, remain as the Managing Director of the Company.

Pursuant to Regulation 97 of the Company's Constitution, any new Director so appointed by the Directors shall hold office until the next annual general meeting of the Company and shall be eligible for re-election. The NC has recommended to the Board that Mr Chew Chin Wee, Mr Miao Ming Feng, Madam Wang Xiao Zheng and Mr Ong Tiang Lock be nominated for re-election at the forthcoming AGM pursuant to Regulation 97 of the Company's Constitution. Mr Chew Chin Wee will, upon re-election as a Director, continue to serve as Independent Director, Chairman of the Audit Committee and Member of the Nominating Committee of the Company. Mr Chew Chin Wee is considered by the Board to be independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST. Mr Miao Ming Feng will, upon re-election as a Director, continue to serve as Independent Director, Chairman of the Remuneration Committee and Member of the Audit Committee of the Company. Mr Miao Ming Feng is considered by the Board to be independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST. Madam Wang Xiao Zheng will, upon re-election as a Director, continue to serve as Non-Executive Non-Independent Director and Member of the Remuneration Committee of the Company. Mr Ong Tiang Lock will, upon re-election as a Director, continue to serve as Lead Independent Director, Chairman of the Nominating Committee and Member of the Audit and Remuneration Committee of the Company. Mr Ong Tiang Lock is considered by the Board to be independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

The NC will determine the criteria for the appointment of new Directors. When a vacancy exists, through whatever cause, or where it is considered that the Board would benefit from the services of a new director with particular skills and knowledge, the NC, in consultation with the Board, determines the selection criteria for the position based on the skills and knowledge deemed necessary for the Board to best carry out its responsibilities. Candidates may be suggested by directors or management or sourced from external sources. The NC will interview the candidates and assess them based on objective criteria approved by the Board such as integrity, independent mindedness, possession of the relevant skills required or skills needed to complement the existing Board members, ability to commit the time and effort to carry out his responsibilities, good decision-making track record, relevant experience and financial literacy. The NC will make a recommendation to the Board on the appointment. The Board then appoints the most suitable candidate who must stand for election at the next AGM of shareholders.

Provision 4.4

The NC determines annually, and as and when circumstances require, if a Director is independent, having regard to the circumstances set forth in Provision 2.1. Directors disclose their relationships with the Company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence, to the Board. If the Board, having taken into account the views of the NC, determines that such directors are independent notwithstanding the existence of such relationships, the Company discloses the relationships and its reasons in its Annual Report.

The NC meets at least once a year. Please refer to the disclosure in Provision 2.1 in relation to the NC's review of Director's independence.

Provision 4.5

The NC ensures that new directors are aware of their duties and obligations. The NC also decides if a Director is able to and has been adequately carrying out his or her duties as a Director of the Company. The Company discloses in its Annual Report the listed company directorships and principal commitments of each Director, and where a Director holds a significant number of such directorships and commitments, it provides the NC's and Board's reasoned assessment of the ability of the Director to diligently discharge his or her duties.

All Directors are required to attend courses organized by the Singapore Institute of Directors on their duties and obligations as a Director within 1 year from their appointment. In addition, the responsibilities of a Director are clearly delineated in their appointment letter or service agreement (as the case may be).

All Directors declare their Board memberships and principal commitments as and when practicable.

The dates of appointment and directorships of the current Directors in other listed companies are set out below:

Name of Director	Date of Appointment	Last Re-Election Date	Directorships and Chairmanships in Other Listed Companies	
			Present	Last Three Years
Madam Sri Tjintawati Hartanto	15 January 2009	29 July 2019	-	-
Dr. Michael Kuan-Chi Sun	7 March 2014	29 July 2019	-	(1) China Innovation Investment Limited (2) China Trends Holdings Limited
Mr Lye Meng Yiau	14 August 2014	29 August 2018	-	-
Mr Chew Chin Wee	15 October 2019	Not Applicable	-	-
Mr Miao Ming Feng	23 May 2020	Not Applicable	-	-
Madam Wang Xiao Zheng	23 May 2020	Not Applicable	-	-
Mr Ong Tiang Lock	29 May 2020	Not Applicable	-	-

The NC has reviewed and is satisfied that all Directors have devoted sufficient time and attention to the affairs of the Group to adequately perform their duties as Directors of the Group.

Having regard to the Directors' attendance and deliberations at meetings of the Board and Board Committees and the time spent on the Company's affairs, the NC and the Board are of the view that a maximum limit on the number directorship in listed companies for a Director is not necessary.

REPORT OF CORPORATE GOVERNANCE

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board Committees and individual Directors.

Provision 5.1

The NC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each Board Committee separately, as well as the contribution by the Chairman and each individual Director to the Board.

Based on the recommendation of the NC, the Board has established processes and objective performance criteria for assessing the effectiveness of the Board as a whole and for assessing the contribution of each individual Director. The objective performance criteria address how the Board has enhanced long-term shareholders' value and include a comparison with the industry peers. The performance evaluation also includes consideration of return on equity, the Company's share price vis-à-vis the Singapore Straits Times Index. The selected performance criteria will not be changed from year to year unless they are deemed necessary and the Board is able to justify the changes.

Each member of the NC shall abstain from voting on any resolutions in respect of the assessment of his performance or re-nomination as Director.

Provision 5.2

The Company discloses in its Annual Report how the assessments of the Board, its Board Committees and each Director have been conducted, including the identity of any external facilitator and its connection, if any, with the Company or any of its directors.

The RC recommends to the Board (in consultation with the Chairman) a framework of remuneration for the Board and the Executive Officers as well as specific remuneration packages for the Executive Director and the Managing Director. The recommendations were submitted for endorsement by the entire Board. All aspects of remuneration, including but not limited to Directors' and Executive Officers' fees, salaries, allowances, bonuses, options and benefits in kind are covered by the RC. The RC has full authority to obtain any external professional advice on matters relating to remuneration as and when the need arises. The members of the RC do not participate in any decision concerning their own remuneration package.

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: The Board has a formal and transparent procedure for developing policies on Director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No Director is involved in deciding his or her own remuneration.

Provision 6.1

The Board establishes a Remuneration Committee ("RC") to review and make recommendations to the Board on:

(a) a framework of remuneration for the Board and key management personnel; and

(b) the specific remuneration packages for each Director as well as for the key management personnel.

As at the date of this report, the members of RC are:-

Mr Miao Ming Feng	(Chairman, Independent Director)
Mr Ong Tiang Lock	(Member, Lead Independent Director)
Madam Wang Xiao Zheng	(Member, Non-Executive Non-Independent Director)

The RC members are familiar with executive compensation matters as they are performing executive functions in the companies where they are employed and/or are holding directorships in other public listed companies.

Provision 6.2

The RC comprises at least three directors. All members of the RC are non-executive directors, the majority of whom, including the RC Chairman, are independent.

As at the date of this report, the members of RC are:

Mr Miao Ming Feng	(Chairman, Independent Director)
Mr Ong Tiang Lock	(Member, Lead Independent Director)
Madam Wang Xiao Zheng	(Member, Non-Executive Non-Independent Director)

Provision 6.3

The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.

The RC considers all aspects of remuneration, including termination terms, to ensure they are fair. Please refer to the disclosure in Provision 7.1 for remuneration aspects.

Provision 6.4

The Company discloses the engagement of any remuneration consultants and their independence in the Company's Annual Report.

No remuneration consultant was engaged by the Company during FY2020. The RC may consider utilising external expert advice and data, as and when necessary, to assist in the evaluation of its compensation recommendations.

LEVEL AND MIX OF REMUNERATION

Principle 7: **The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.**

Provision 7.1

A significant and appropriate proportion of executive directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the Company.

The remuneration packages for Executive Directors take into account the performance of the Group and the individual Director. The RC also ensures that the Executive Directors are adequately remunerated as compared to industry and comparable companies.

The Company has entered into separate service agreement with Mr Lye Meng Yiau. There are no onerous removal clauses in the service agreement. Mr Lye Meng Yiau is entitled to fixed salary per month.

Provision 7.2

The remuneration of Non-Executive Directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.

The Non-Executive Directors' remuneration in the form of directors' fees take into account the roles that the individual Director play, including but not limited to the efforts, time spent and responsibilities of the Non-Executive Director. The Directors' fees are subject to shareholders' approval at the forthcoming AGM.

Provision 7.3

Remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the Company and key management personnel to successfully manage the Company for the long term.

The RC is of the view that the remuneration is appropriate to attract, retain and motivate the Directors and key management personnel to successfully manage the Company for the long term given the low attrition rate of Directors and key management personnel.

DISCLOSURE ON REMUNERATION

Principle 8: **The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.**

Provision 8.1

The Company discloses in its Annual Report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of:

(a) each individual director and the CEO; and

(b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S$250,000 and in aggregate the total remuneration paid to these key management personnel.

The remuneration of each individual Director to the nearest thousand is not disclosed as the Board believes that the disclosure may be prejudicial to its business interests given the highly competitive marine business environment the Group operates in.

A summary compensation table of the directors' remuneration for the financial year ended 31 March 2020 is set out below:

Name of Director	Directors' Fees (%)	Salary (%)	Total (%)
Below S$250,000			
Mr Lye Meng Yiau	17	83	100
Madam Sri Tjintawati Hartanto	100	-	100
Dr. Michael Kuan-Chi Sun	100	-	100
Mr Edward Fu Shu Sheen	100	-	100
Mr Ng Hsian Pin	100	-	100
Mr Chew Chin Wee	100	-	100

A summary compensation table of the executive officers' remuneration for FY2020 in percentage terms are set out below:

Name of Executive Officer	Salary[1] (%)	Bonus (%)	Total (%)
Below S$250,000			
Mr Koit Ven Jee	87	13	100

Notes:-

1 Employers' contributions to the Central Provident Fund is included within the salary.

The gross remuneration disclosed is computed on gross salaries, allowances and other benefits accruing during the financial year. There are no termination, retirement or any post-employment benefits to directors and key executive officers.

The Company is of the opinion that it is not in the best interest of the Company to disclose the total remuneration of each Director and Key Executive in dollar terms, given the sensitivity of remuneration matters and the competitiveness of the industry for key talent.

Provision 8.2

The Company discloses the names and remuneration of employees who are substantial shareholders of the Company, or are immediate family members of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds S$100,000 during the year, in bands no wider than S$100,000, in its Annual Report. The disclosure states clearly the employee's relationship with the relevant Director or the CEO or substantial shareholder.

No employee of the Company and its subsidiary companies is a substantial shareholder of the Company or an immediate family member of Director or the Chief Executive Officer or substantial shareholder of the Company, whose remuneration exceeded S$100,000 during FY2020.

Provision 8.3

The Company discloses in its Annual Report all forms of remuneration and other payments and benefits, paid by the Company and its subsidiaries to directors and key management personnel of the Company. It also discloses details of employee share schemes.

Please refer to the disclosure in Provision 8.1 for the remuneration details of Directors and Key Management Personnel of the Company.

The NGSC Limited Performance Share Scheme ("Performance Share Scheme") was approved and adopted by the shareholders of the Company at an extraordinary general meeting of the Company held on 28 July 2010. The Performance Share Scheme is administered by the RC comprising Mr Miao Ming Feng, Mr Ong Tiang Lock and Madam Wang Xiao Zheng. Other than the Performance Share Scheme, the Company does not have any employee share option scheme or other long-term employee incentive scheme at this juncture. No shares have been issued under the Performance Share Scheme during the financial year.

REPORT OF CORPORATE GOVERNANCE

ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.

Provision 9.1

The Board determines the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation. The Board sets up a Board Risk Committee to specifically address this, if appropriate.

The Company manages risks under an overall strategy determined by the Board and supported by AC. The Company sets acceptable risk management standards and periodically reviews the risks that the Group is subject to.

The Board believes in the importance of maintaining a sound system of internal controls to safeguard shareholders' investments and the Group's assets.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by management, various Board Committees and the Board, the Board, with concurrence of the AC, is of the view that, the system of internal control maintained by the Group provides reasonable assurance of the adequacy and effectiveness of the internal controls in addressing the financial, operational (including information technology) and compliance risks and risk management systems of the Group.

The Company does not have a Board Committee for Risk Management. The Board and the AC has supervised the setting up of an enterprise risk management framework to evaluate and continuously improve the effectiveness of risk management capabilities, control and governance processes. Key operational (including information technology), business, and financial risks faced by the Group generally and in major contracts and transactions are continuously analysed and identified so that all key risks (including information technology risk) are addressed and internal controls are in place and reviewed periodically by Management, the AC and the Board.

The Board and AC noted that all internal controls contain inherent limitations and no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgement in decision making, human error, losses, fraud or other irregularities. The Board will continue its risk assessment process with a view to improve the Group's internal control systems.

Provision 9.2

The Board requires and discloses in the Company's Annual Report that it has received assurance from:

(a) the CEO and the Chief Financial Officer ("CFO") that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and

(b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control systems.

The Board received assurance from the Managing Director and the Financial Controller that:

(a) the financial records of the Company have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances and are in accordance with the relevant accounting standards; and

(b) they have evaluated the effectiveness of the Company's internal controls and have discussed with the Company's external and internal auditors of their reporting points and note that the Company has put in place and will continue to maintain a reliable, comprehensive and sound system of risk management and internal control.

AUDIT COMMITTEE

Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.

Provision 10.1

The duties of the AC include:

(a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;

(b) reviewing at least annually the adequacy and effectiveness of the Company's internal controls and risk management systems;

(c) reviewing the assurance from the CEO and the CFO on the financial records and financial statements;

(d) making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;

(e) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function; and

(f) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The Company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.

The AC has been established with written terms of reference and as at the date of this report comprises three Independent Directors. They are:-

Mr Chew Chin Wee	(Chairman, Independent Director)
Mr Ong Tiang Lock	(Member, Lead Independent Director)
Mr Miao Ming Feng	(Member, Independent Director)

Mr Chew Chin Wee chairs this Committee. The AC met at least four times in the financial year under review. It performs the following functions:-

- Reviewing the audit plans and reports of the independent auditor and to consider the effectiveness of the actions taken by the Management on the auditor's recommendations;
- Reviewing the internal audit plans, the scope and results of internal audit procedures;
- Review Enterprise Risk Management structure, governance and processes;

- Reviewing the balance sheet of the Company, the consolidated financial statements of the Group for the financial year ended 31 March 2020 and other announcements to shareholders and the SGX-ST before submission to the Board of Directors ("Board") for approval, as well as the independent auditor's report on the balance sheets of the Company and the Consolidated financial statements of the Group;
- Appraising and reporting to the Board on the audits undertaken by the independent auditor, the adequacy of disclosure of information, and the adequacy and effectiveness of the system of management internal audit function and internal controls;
- Reviewing the assistance and co-operation given by the Management to the independent auditor;
- Evaluating quality of work performed by independent auditor;
- Discussing problems and concerns, if any, arising from the interim and final audits;
- Considering and make recommendations to the Board on the appointment, re-appointment and removal of independent auditor, their remuneration and terms of engagement;
- Reviewing the framework for staff to raise concerns about possible improprieties in matters of financial reporting or other matters in confidence, and that there is independent investigation of such matters and appropriate follow-up action; and
- Reviewing interested person transactions, as defined in the Listing Manual of SGX-ST.

The AC has explicit authority to investigate any matter within its terms of reference and has full access to and co-operation by the Management. It also has full discretion to invite any Director or Executive Officer to attend its meetings and reasonable resources to enable it to discharge its functions properly.

The AC, having reviewed all non-audit services provided by the independent auditors to the Group, is satisfied that the nature and extent of such services would not affect the independence of the independent auditors and it has accordingly recommended to the Board that RT LLP be nominated for reappointment as auditors of the Company at the forthcoming Annual General Meeting of the Company ("AGM").

The aggregate amount of fees paid or payable to the independent auditors of the Company, broken down into audit and non-audit services during FY2020 are as follows:-

Audit fees : S$75,000
Non-audit fees : S$NIL

The Company confirms that it is in compliance with Rules 712 and 716 of the SGX-ST Listing Manual in relation to the appointment of its external auditors. The Board and AC are satisfied that the appointment of different audit firms for Subsidiaries of the Company would not compromise the standard and effectiveness of the audit of the Group.

Whistle Blowing Policy

The AC has put in place a whistle-blowing arrangement whereby the staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters to Mr Chew Chin We, the AC Chairman. There are arrangements in place for the independent investigation of such matters for appropriate follow-up actions to be taken.

Where the need arises, the AC will meet with the independent auditors, without the presence of the Management, to review the adequacy of audit arrangement with emphasis on the scope and quality of their audit, the independence, objectivity and observations of the auditors. The AC has reasonable resources to enable it to discharge the functions properly. The external auditors present to the AC the audit plan and updates relating to any change of accounting standards which have a direct impact on financial statements during the AC meetings.

Provision 10.2

The AC comprises at least three directors, all of whom are non-executive and the majority of whom, including the AC Chairman, are independent. At least two members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience.

As at the date of this report, the members of AC are:

Mr Chew Chin Wee	(Chairman, Independent Director)
Mr Ong Tiang Lock	(Member, Lead Independent Director)
Mr Miao Ming Feng	(Member, Independent Director)

Mr Chew Chin Wee and Mr Ong Tiang Lock have recent and relevant accounting or related financial management expertise or experience.

Provision 10.3

The AC does not comprise former partners or directors of the Company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or Director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

None of the AC members were previous partners or directors of the Company's existing auditors.

Provision 10.4

The primary reporting line of the internal audit function is to the AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the Company's documents, records, properties and personnel, including the AC, and has appropriate standing within the Company.

The Board has deliberated and agreed that given the size of the current business and operations of the Group, it does not warrant the Group to have an in-house internal audit function or to appoint internal auditors. The Company will consider the establishment of an internal audit function or appointment of internal auditors when there is an increased level of operating activities. The AC will conduct periodic reviews on the Company's level of operating activities to assess whether such establishment of an internal audit function or appointment of internal auditors is required.

As part of the annual statutory audit of the financial statements of the Company, the external auditors of the Company also report to the AC on any material weaknesses in the Group's internal controls and provide recommendation on other significant matters such as risk management which have come to their attention during the course of the audit.

Provision 10.5

The AC meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually.

The AC meets from time to time with the Group's external auditors, in each case without the presence of the management of the Company, at least once a year.

REPORT OF CORPORATE GOVERNANCE

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provision 11.1

The Company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders.

The Company recognises and accepts the principle that all shareholders are treated fairly and equitably and that they have been accorded certain rights under the Singapore Companies Act and the Company's Constitution. Information to all shareholders is disclosed to in a timely and transparent manner and in compliance with SGX disclosure requirements.

Shareholders are given ample opportunity to attend, participate and vote at the Company's general meetings.

Provision 11.2

The Company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the Company explains the reasons and material implications in the notice of meeting.

Separate resolutions are proposed at general meetings of shareholders on each substantially separate issues. All resolutions at general meetings are put to vote by poll, and their detailed results will be announced via SGXNET after the conclusion of the general meeting.

Provision 11.3

All directors attend general meetings of shareholders, and the external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. Directors' attendance at such meetings held during the financial year is disclosed in the Company's Annual Report.

The members of the AC, NC and RC will be present at these meetings to answer questions relating to matters that are overseen by these committees. The independent auditors will also be present to assist the Directors in addressing any queries posed by the shareholders.

Provision 11.4

The Company's Constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders.

The Constitution of the Company allows for members to appoint up to two proxies to attend and vote in place of the member. In line with the amendments to the Companies Act, Chapter 50 of Singapore, corporate shareholders of the Company who provide nominee or custodial services to third parties are allowed to appoint more than two proxies to attend and vote on their behalf at general meetings. The Company does not intend to implement absentia voting methods until security, integrity and other pertinent issues are resolved.

Provision 11.5

The Company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.

The Company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable and the minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting.

Provision 11.6

The Company has a dividend policy and communicates it to shareholders.

The Company does not have a fixed dividend policy. In view of the Group's weak operating results in FY2020, the Board has decided not to declare any dividend for FY2020. The issue of payment of dividend is deliberated by the Board from time to time.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

Provision 12.1

The Company provides avenues for communication between the Board and all shareholders, and discloses in its Annual Report the steps taken to solicit and understand the views of shareholders.

The Company has complied with the Listing Manual on the disclosure requirements of material information to shareholders. The Board is mindful of the obligation to provide shareholders of all major developments that affect the Group and strives to maintain a high standard of transparency.

Information is communicated to shareholders on a timely basis through quarterly financial results and annual reports that are prepared and issued to all shareholders within the mandatory period, SGXNET, press releases and the Company's website at which the shareholders can access information on the Group. The Company does not practice selective disclosure and price sensitive information is first publicly released before the Company meets with any group of investors or analysts.

Provision 12.2

The Company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.

The Board provides the shareholders with a detailed and balanced explanation and analysis of the Company's performance, position and prospects on a quarterly basis. This responsibility extends to reports to regulators.

Provision 12.3

The Company's investor relations policy sets out the mechanism through which shareholders may contact the Company with questions and through which the Company may respond to such questions.

Shareholders are given the opportunity to pose questions to the Directors or the Management at the AGM and all extraordinary general meetings. Shareholders are informed of shareholders' meetings through notices published in the newspapers, annual reports and circulars sent to all shareholders. Each item of special business included in the notices of shareholders' meetings is accompanied, where appropriate, by an explanation for the proposed resolution.

MANAGING STAKEHOLDERS RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDERS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

Provision 13.1

The Company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.

The Company has regularly engaged its stakeholders through various medium and channels to ensure that the business interests are aligned with those of the stakeholders, to understand and address the concerns so as to improve services and products' standards, as well as to sustain business operations for long-term growth.

The stakeholders have been identified as those who are impacted by the Group's business and operations and those who are similarly are able to impact the Group's business and operations.

Provision 13.2

The Company discloses in its Annual Report its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.

Please refer to the disclosure in sustainability report, which will be announced on or before 31 July 2020 in relation to the management of stakeholder relationships during FY2020.

Provision 13.3

The Company maintains a current corporate website to communicate and engage with stakeholders.

The Company updates its corporate website www.ngscinvestment.com regularly with information released on the SGXNET and business developments of the Group.

DEALINGS IN SECURITIES

The Company has adopted policies in line with the Rule 1207(19) set out in the Listing Manual of the SGX-ST on dealings in the Company's securities.

The Company prohibits its officers from dealing in the Company's shares on short-term considerations or when they are in possession of unpublished price-sensitive information. The Company and its officers are not allowed to deal in the Company's securities during the period commencing two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and one month before full financial year and ending on the date of announcement of the relevant results.

INTERESTED PERSON TRANSACTIONS

The Company has adopted an internal policy in respect of any transaction with interested person which set out the procedures for review and approval of such transactions.

All interested person transactions will be documented and submitted on a quarterly basis to the AC for their review to ensure that such transactions are carried out at arm's length basis and on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

The Company has not entered into interested person transactions with aggregate value of more than S$100,000 during FY2020 pursuant to Rule 907 of the Listing Manual of the SGX-ST.

MATERIAL CONTRACTS AND LOANS

Pursuant to Rule 1207(8) of the Listing Manual of the SGX-ST, the Company confirms that except as disclosed in the Directors' Statement and Financial Statements, there were no other material contracts and loans of the Company and its subsidiaries involving the interests of the Managing Director or any Director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, which were entered into since the end of the previous financial year.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

PURSUANT TO RULE 720(6) OF THE SGX-ST LISTING MANUAL

Mr Lye Meng Yiau, Madam Wang Xiao Zheng, Mr Ong Tiang Lock, Mr Chew Chin Wee and Mr Miao Ming Feng are the retiring Directors who are seeking re-election at the forthcoming Annual General Meeting ("AGM") of the Company. Pursuant to Rule 720(6) of the SGX-ST Listing Manual, the information relating to the retiring Directors, in accordance to Appendix 7.4.1 of the SGX-ST Listing Manual, is set out below:

Name of Director	**Lye Meng Yiau**	**Wang Xiao Zheng**	
Date of appointment	15 October 2019	23 May 2020	
Date of last election	29 August 2018	Not Applicable	
Age	45	55	
Country of principal residence	Singapore	China	
The Board's comments on the NC's recommendation for re-election	Upon the recommendation of the Nominating Committee, which had reviewed the qualification and experience of Mr Lye Meng Yiau, the Board of Directors approved his re-appointment as Managing Director of the Company.	Upon the recommendation of the Nominating Committee, which had reviewed the qualification and experience of Ms Wang Xiao Zheng, the Board of Directors approved her re-appointment as Non-Executive Non-Independent Director of the Company	
Whether appointment is executive, and if so, the area of responsibility	Executive. Responsible for the Group's financial, administrative and risk management functions as well as day-to-day management of the Group's business and operations.	No. Non-Executive.	
Job title	Managing Director	Non-Executive Non-Independent Director and member of Remuneration Committee	
Working experience and occupation(s) during past 10 years	October 2019 to Present – Managing Director, NGSC Limited 2017 to 2018 – Vice President, Anacle Systems Ltd 2014 to 2017 – Director, NGSC Limited 2012 to 2014 – Director, OWW Investments III Limited and I-Magination Group Pte. Ltd. 2012 to 2014 – Vice President (Investments), OWW Capital Partners Pte Ltd 2004 to 2011 - Strategy and Business Development Manager, Heidelbergcement Asia Pte Ltd	April 2009 to July 2019 – Vice General Manager of network operation and maintenance department and Senior Engineer, Satellite Communication Branch of China Telecom Co., Ltd	

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

PURSUANT TO RULE 720(6) OF THE SGX-ST LISTING MANUAL

	Ong Tiang Lock	**Chew Chin Wee**	**Miao Ming Feng**
	29 May 2020	15 October 2019	23 May 2020
	Not Applicable	Not Applicable	Not Applicable
	62	46	51
	Malaysia	Singapore	China
	Upon the recommendation of the Nominating Committee, which had reviewed the qualification and experience of Mr Ong Tiang Lock, the Board of Directors approved his re-appointment as Lead Independent Director of the Company	Upon the recommendation of the Nominating Committee, which had reviewed the qualification and experience of Mr Chew Chin Wee, the Board of Directors approved his re-appointment as an Independent Director of the Company	Upon the recommendation of the Nominating Committee, which had reviewed the qualification and experience of Mr Miao Ming Feng, the Board of Directors approved his re-appointment as an Independent Director of the Company
	No. Non-Executive.	No. Non-Executive.	No. Non-Executive.
	Lead Independent Director, Chairman of Nominating Committee and member of Audit Committee and Remuneration Committee	Independent Director, Chairman of Audit Committee and member of Nominating Committee	Independent Director, Chairman of Remuneration Committee and member of Audit Committee
	April 2017 to March 2020 – Chief Operating Officer, Kingkey Financial International (Holdings) Limited September 2014 to March 2017 – Self Employed January 2014 to August 2014 – Executive Director, Pico Global Services Limited, Hong Kong June 2011 to October 2013 – General Manager, GuocoCapital Limited, Hong Kong February 2010 to January 2011 – Chief Executive Officer, Kim Eng Securities (Hong Kong) Limited	Financial Controller, ResMed Asia Pte Ltd	Chairman of Waycoo Real Estate Co., Ltd.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

PURSUANT TO RULE 720(6) OF THE SGX-ST LISTING MANUAL

Name of Director	**Lye Meng Yiau**	**Wang Xiao Zheng**	
Shareholdings interest in the listed issuer and its subsidiaries	No	No	
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil	
Conflict of interest (including any competing business)	Nil	Nil	
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	
Other Principal Commitments Including Directorships	Past (for the last 5 years) Nil Present Ovton Pte. Ltd. NGSC Capital Pte. Ltd. NGSC Investment Management Pte. Ltd. Ban Joo Global Pte. Ltd. Telemedia Pacific Communications Pte. Ltd.	Past (for the last 5 years) Nil Present Nil	

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

PURSUANT TO RULE 720(6) OF THE SGX-ST LISTING MANUAL

	Ong Tiang Lock	Chew Chin Wee	Miao Ming Feng
	No	No	Yes. Direct Interest – 119,324,000 shares of NGSC Limited
	Nil	Nil	Nil
	Nil	Nil	Nil
	Yes	Yes	Yes
	Past (for the last 5 years) Kingkey Management Limited Kingkey Privilege Management Limited Kingkey Finance Limited Present Nil	Past (for the last 5 years) Nil Present ResMed Asia Pte. Ltd. Bon Elements Pte. Ltd. Bon Aesthetics Pte. Ltd.	Past (for the last 5 years) Nil Present Waycoo Real Estate Co., Ltd.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

PURSUANT TO RULE 720(6) OF THE SGX-ST LISTING MANUAL

The general statutory disclosures of the Directors are as follows:

Question		Lye Meng Yiau	
(a)	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	
(b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	
(c)	Whether there is any unsatisfied judgment against him?	No	
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	
(h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	
(i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

PURSUANT TO RULE 720(6) OF THE SGX-ST LISTING MANUAL

	Wang Xiao Zheng	Ong Tiang Lock	Chew Chin Wee	Miao Ming Feng
	No	No	No	No
	No	No	No	No
	No	No	No	No
	No	No	No	No
	No	No	No	No
	No	No	No	No
	No	No	No	No
	No	No	No	No
	No	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

PURSUANT TO RULE 720(6) OF THE SGX-ST LISTING MANUAL

Question			Lye Meng Yiau	
(j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :—			
	(i)	any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	
	(ii)	any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	
	(iii)	any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	
	(iv)	any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	
(k)	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?		No	

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

PURSUANT TO RULE 720(6) OF THE SGX-ST LISTING MANUAL

	Wang Xiao Zheng	Ong Tiang Lock	Chew Chin Wee	Miao Ming Feng
	No	No	No	No
	No	No	No	No
	No	No	No	No
	No	No	No	No
	No	No	No	No

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

The Directors present their statement to the members together with the audited consolidated financial statements of NGSC Limited (the "Company") and its subsidiaries (the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 March 2020.

1 Opinion of the Directors

In the opinion of the Directors,

(i) the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company together with the notes thereto are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2020 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended; and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2 Directors

The Directors of the Company in office at the date of this statement are:

Managing director
Lye Meng Yiau

Executive director
Dr. Michael Kuan-Chi Sun

Non-Executive Non-Independent directors

Sri Tjintawati Hartanto	
Wang Xiao Zheng	(Appointed on 23 May 2020)

Independent Non-Executive directors

Fu Shu Sheen Edward (Lead Independent director)	(Resigned on 28 May 2020)
Ng Hsian Pin	(Resigned on 12 May 2020)
Chew Chin Wee	(Appointed on 15 October 2019)
Ong Tiang Lock (Lead Independent director)	(Appointed on 29 May 2020)
Miao Ming Feng	(Appointed on 23 May 2020)

3 Arrangements to enable Directors to acquire shares and debentures

Except as disclosed under "Performance shares and share options" on pages 2 and 3 of this statement, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

4 Directors' interests in shares and debentures

The Directors of the Company holding office at the end of the financial year had no interests in the shares and debentures of the Company and its related corporations as recorded in the Register of Directors' Shareholdings kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Chapter 50 (the "Act") except as follows:

	Shareholdings registered in name of director or nominee			Shareholdings in which director is deemed to have an interest		
	At 1 April 2019 or date of appointment	At 31 March 2020	At 21 April 2020	At 1 April 2019 or date of appointment	At 31 March 2020	At 21 April 2020
Company						
Ordinary shares						
Sri Tjintawati Hartanto	2,203,000	2,203,000	2,203,000	-	-	-
Lye Meng Yiau	5,000,000	5,000,000	5,000,000	-	-	-
Dr. Michael Kuan-Chi Sun	9,000,000	9,000,000	9,000,000	-	-	-
Fu Shu Sheen Edward	4,400,000	4,400,000	4,400,000	-	-	-

5 Performance shares and share options

(i) Performance shares

The Performance Share Scheme (the "PSS") was approved and adopted by the shareholders at an Extraordinary General Meeting of the Company held on 28 July 2010.

The Company implemented the PSS so as to (a) increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees of the Group to achieve superior performance; (b) further strengthen the Company's competitiveness in attracting and retaining local and foreign talent; and (c) incentivise all participants of the PSS (the "Participants") to excel in their performance and encourage greater dedication and loyalty to the Company.

Through the PSS, the Company is able to recognise and reward past contributions and services and motivate Participants to continue to strive for the Group's long-term growth. In addition, the PSS aims to foster an ownership culture within the Group which aligns the interests of the Participants with the interests of shareholders.

The PSS is administered by the Remuneration Committee currently comprising Miao Ming Feng (Chairman of Remuneration Committee), Ong Tiang Lock, and Chew Chin Wee.

5 Performance shares and share options (cont'd)

(i) Performance shares (cont'd)

The details of the performance shares awarded under the PSS to the Directors of the Company in office at the end of the financial year are as follows:

	Aggregate number of performance shares granted during the financial year ended 31 March 2020	Aggregate number of performance shares granted since the commencement of the PSS to the end of the financial year ended 31 March 2020	Aggregate number of performance shares issued or transferred pursuant to the vesting of awards granted under the PSS since the commencement of the PSS to the end of the financial year ended 31 March 2020	Aggregate number of performance shares outstanding as at the end of the financial year ended 31 March 2020
Director				
Sri Tjintawati Hartanto	-	2,203,000	2,203,000	-
Lye Meng Yiau	-	5,000,000	5,000,000	-
Dr. Michael Kuan-Chi Sun	-	9,000,000	9,000,000	-
Fu Shu Sheen Edward	-	4,400,000	4,400,000	-

All allocated performance shares have been fully granted and converted to ordinary shares on 28 July 2010 and hence there are no more vesting period with respect to those allocated shares.

The Company still has unallocated performance shares (the treasury shares in Note 21 to the financial statements), which the Company may allocate before the PSS expires in year 2020.

(ii) Share options

There were no share options granted during the financial year to subscribe for unissued shares of the Company or its subsidiaries.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares of the Company or its subsidiaries under option at the end of the financial year.

6 Audit committee

The Audit Committee comprises three Independent Directors, namely:

Mr Ng Hsian Pin (Chairman)	(Resigned on 12 May 2020)
Mr Fu Shu Sheen Edward	(Resigned on 28 May 2020)
Mr Chew Chin Wee (Chairman)	
Mr Ong Tiang Lock	(Appointed on 29 May 2020)
Mr Miao Ming Feng	(Appointed on 23 May 2020)

The Audit Committee carried out its functions in accordance with Section 201B (5) of the Singapore Companies Act, the Listing Manual of the Singapore Exchange Securities Trading Limited and the Code of Corporate Governance. In performing those functions, the Audit Committee reviewed:

- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's Management to the independent auditor;
- the periodic results announcements prior to their submission to the Board for approval;
- the statement of financial position and statement of changes in equity of the Company and the consolidated financial statements of the Group for the financial year ended 31 March 2020 prior to their submission to the Board, as well as the independent auditor's report on the statement of financial position and the statement of changes in equity of the Company and the consolidated financial statements of the Group; and
- interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited).

The Audit Committee is satisfied with the independence and objectivity of the external auditor and has recommended to the Board of Directors that the auditor, RT LLP, be nominated for re-appointment as auditor at the forthcoming Annual General Meeting of the Company.

Further details regarding the Audit Committee are disclosed in the Report of Corporate Governance.

7 Independent auditor

The independent auditor, RT LLP, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors

Lye Meng Yiau
Director

Chew Chin Wee
Director

12 June 2020

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NGSC LIMITED
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NGSC Limited (the "Company") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and the Company as at 31 March 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I) s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2020, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How the matter was addressed in the audit

1. Impairment assessment of investment in joint ventures

SFRS(I) 1-36 Impairment of Assets requires that when there is any indication that an impairment loss recognized in prior periods may no longer exist or may have decreased, the reporting entity shall estimate the recoverable amount of that asset.

Reversal of impairment is effected when the recoverable amount of the joint venture exceeds its carrying amount.

The recoverable amount is defined as the higher of an asset's or cash generating unit's fair value ("FV") less costs of disposal and its value in use ("VIU"). Management is of the view that there is no basis for making a reliable estimate of the price, that is , fair value at which an orderly transaction to sell the asset would not be possible and therefore has used value in use as the recoverable amount. Accordingly, management has used the independent valuer's value in use valuation as its recoverable amount.

Based on independent valuation using value in use basis the valuation was determined at $41 million against a similar valuation performed for the prior financial year, which stood at $5 million.

Our audit focused on evaluating the key assumptions, judgements and estimations used by management and management's expert, the independent valuer, in conducting the valuation and impairment review of the joint venture. Our audit procedures included but were not limited to the following:

1) Challenged and tested assumptions, judgements and estimations used in VIU valuation and assessed the accuracy of the historical data and reasonableness of projections used in forecast model as the basis for arriving at the estimated discounted future cash flows ("DCF");

2) Reviewed the engagement terms entered into with the independent valuer to ascertain if there were any matters that may have affected the valuer's objectivity or placed limitations in the scope of their work;

3) Evaluated the qualifications and competence of the independent valuer;

4) Considered the valuation methodologies adopted;

5) Tested the integrity of inputs of the projected cash flows used in the valuation;

6) Challenged the cash flow forecasts used with comparison to recent information, historical trend analysis to the extent relevant; and

7) For key inputs used for the DCF such as discount rate and weighted costs of capital, ensured the valuer has taken into consideration the general market outlook for the relevant industry, including comparing against comparable listed companies.

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

1. Impairment assessment of investment in joint ventures (cont'd)

Accordingly, during the financial year, the Group effected a reversal of impairment loss adjustment of approximately $18.2 million to its investment in the joint ventures.

Following the reversal of impairment loss, the Group's investment in joint ventures amounted to $22.7 million, which represent approximately 59% of the Group's total assets. This was a significant balance during the year.

The significant judgement, assumptions and estimates, including the basis, used for the assessment of the recoverable amount of investment in joint ventures are disclosed in Note 11 to the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Annual Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report on the Audit of the Financial Statements (cont'd)

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NGSC LIMITED
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

Report on the Audit of the Financial Statements (cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Ravinthran Arumugam.

RT LLP
Public Accountants and
Chartered Accountants

Singapore, 12 June 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	**2020 $'000**	2019 $'000
Revenue	4	**-**	-
Other income	5	**21,550**	2,435
Administrative expenses		**(1,779)**	(1,615)
Other expenses		**(1,935)**	(1,162)
Share of profit of joint ventures	11	**1,763**	880
Profit before income tax	6	**19,599**	538
Income tax credit	8	**116**	-
Profit for the financial year		**19,715**	538
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
- Currency translation differences arising on consolidation		**493**	587
Other comprehensive income for the financial year, net of tax		**493**	587
Total comprehensive income		**20,208**	1,125
Income attributable to:			
Equity holders of the Company		**19,761**	588
Non-controlling interests		**(46)**	(50)
		19,715	538
Total comprehensive income attributable to:			
Equity holders of the Company		**20,254**	1,175
Non-controlling interests		**(46)**	(50)
		20,208	1,125
Earnings per share for profit attributable to equity holders of the Company (cents per share)			
- Basic	9	**0.3076**	0.0092
- Diluted	9	**0.3076**	0.0092

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2020

	Note	Group		Company	
		2020	2019	**2020**	2019
		$'000	$'000	**$'000**	$'000
Non-current assets					
Property, plant and equipment	10	**240**	8	**240**	6
Investment in joint ventures	11	**22,736**	2,800	**-**	-
Investment in subsidiaries	12	**-**	-	**45,092**	26,877
		22,976	2,808	**45,332**	26,883
Current assets					
Trade receivables	13	**-**	-	**-**	-
Other receivables, deposits and prepayments	14	**93**	334	**87**	102
Amounts due from subsidiaries	15	**-**	-	**12,994**	686
Cash and bank balances	16	**15,463**	16,661	**2,493**	16,516
Derivative	17	**-**	600	**-**	-
Income tax receivable		**2**	-	**-**	-
		15,558	17,595	**15,574**	17,304
Total assets		**38,534**	20,403	**60,906**	44,187
Current liabilities					
Amounts due to subsidiaries	15	**-**	-	**37,717**	35,948
Trade payables	18	**11**	217	**-**	-
Other payables and accruals	19	**1,089**	2,386	**993**	1,395
Lease liability	24	**86**	-	**86**	-
Income tax payable		**-**	814	**-**	-
		1,186	3,417	**38,796**	37,343
Non-current liabilities					
Lease liability	24	**154**	-	**154**	-
Total liabilities		**1,340**	3,417	**38,950**	37,343
Net assets		**37,194**	16,986	**21,956**	6,844
Capital and reserves attributable to equity holders of the Company					
Share capital	20	**145,623**	145,623	**145,623**	145,623
Treasury shares	21	**(1,219)**	(1,219)	**(1,219)**	(1,219)
Capital reserve	22	**(169)**	(169)	**(169)**	(169)
Settlement shares	23	**(1,140)**	(1,140)	**(1,140)**	(1,140)
Currency translation reserve		**2,632**	2,139	**-**	-
Accumulated losses		**(108,463)**	(128,224)	**(121,139)**	(136,251)
		37,264	17,010	**21,956**	6,844
Non-controlling interests		**(70)**	(24)	-	-
Total equity		**37,194**	16,986	**21,956**	6,844

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Share capital	Treasury shares	Capital reserve	Settlement shares	Currency translation reserve [1]	Accumulated losses	Non-controlling interests	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group								
Balance at 01.04.2018	145,623	(1,219)	(169)	(1,140)	1,552	(128,812)	26	15,861
Profit for the financial year	-	-	-	-	-	588	(50)	538
Other comprehensive income for the financial year, net of tax:								
- Currency translation difference arising on consolidation	-	-	-	-	587	-	-	587
Total comprehensive income for the financial year	-	-	-		587	588	(50)	1,125
Balance at 31.03.2019	**145,623**	**(1,219)**	**(169)**	**(1,140)**	**2,139**	**(128,224)**	**(24)**	**16,986**
Profit for the financial year	-	-	-	-	-	19,761	(46)	19,715
Other comprehensive income for the financial year, net of tax:								
- Currency translation difference arising on consolidation	-	-	-	-	493	-	-	493
Total comprehensive income for the financial year	-	-	-	-	493	19,761	(46)	20,208
Balance at 31.03.2020	**145,623**	**(1,219)**	**(169)**	**(1,140)**	**2,632**	**(108,463)**	**(70)**	**37,194**

Note:

(1) Currency translation reserve

The currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Share capital	Treasury shares	Capital reserve	Settlement shares	Accumulated losses	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Company						
Balance at 01.04.2018	145,623	(1,219)	(169)	(1,140)	(135,837)	7,258
Loss for the financial year, representing total comprehensive loss for the financial year	-	-	-	-	(414)	(414)
Balance at 31.03.2019	145,623	(1,219)	(169)	(1,140)	(136,251)	6,844
Profit for the financial year, representing total comprehensive income for the financial year	-	-	-	-	15,112	15,112
Balance at 31.03.2020	**145,623**	**(1,219)**	**(169)**	**(1,140)**	**(121,139)**	**21,956**

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	**2020** **$'000**	2019 $'000
Cash flows from operating activities			
Profit before income tax		**19,599**	538
Adjustments for:			
Impairment loss on other receivables	14	**833**	793
Reversal of impairment loss in investment in joint ventures	11	**(18,215)**	(2,050)
Reversal of impairment loss on other receivables	14	**(3,239)**	-
Interest of lease liability		**4**	-
Depreciation of property, plant and equipment	10	**89**	8
Gain on disposal of subsidiaries		**(2,723)**	-
Share of profit of joint ventures		**(1,763)**	(880)
Fair value gain on derivative financial instrument	6	**-**	(25)
Unrealised currency translation (gain)/loss		**(281)**	611
Total adjustments		**(25,295)**	(1,543)
Operating cash flows before changes in working capital		**(5,696)**	(1,005)
Changes in working capital			
Other receivables, deposits and prepayments		**5,689**	(493)
Trade payables		**(206)**	-
Other payables and accruals		**(445)**	60
Total changes in working capital		**5,038**	(433)
Net cash used in operating activities		**(658)**	(1,438)
Cash flows from investing activities			
Proceeds from disposal of subsidiaries, net of cash disposed of		**(319)**	-
Purchase of property, plant and equipment	10	**-**	(3)
Refund of deposits placed with broker for margin call		**600**	-
Other receivables		**-**	2,782
Net cash generated from investing activities		**281**	2,779
Cash flows from financing activities			
Payment of principal portion of lease liabilities		**(85)**	-
Other payables and accruals		**(736)**	57
Net cash generated from financing activities		**(821)**	57

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	**2020** **$'000**	2019 $'000
Net (decrease)/increase in cash and cash equivalents		**(1,198)**	1,398
Cash and cash equivalents at beginning of financial year		**16,661**	15,261
Effect of exchange rate changes on cash and cash equivalents		**-**	2
Cash and cash equivalents at end of financial year	16	**15,463**	16,661

Reconciliation of liabilities arising from financing activities

	1 April 2019	Cashflows	Non-cash changes			31 March 2020
			Accretion of interest	Adoption of SFRS(I)16	Others	
	$'000	$'000	$'000		$'000	$'000
Director related company (Note 19)	459	(455)	-	-	-	4
Third parties (Note 19)	374	(281)	-	-	-	93
Lease liability						
-current	-	(85)	4	81	86	86
-non-current	-	-	-	240	(86)	154
	833	(821)	4	321	-	337

	1 April 2018	Cashflows	Non-cash changes	31 March 2019
			Foreign exchange impact	
	$'000	$'000	$'000	$'000
Director related company (Note 19)	443	-	16	459
Third parties (Note 19)	315	57	2	374
	758	57	18	833

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 General information

NGSC Limited (the "Company" or "NGSC") is a limited liability company domiciled and incorporated in Singapore and is listed on the Main Board of the Singapore Exchange Securities Trading Limited. The address of the Company's registered office is at 20 Collyer Quay, #01-02 Singapore 049319 and its principal place of business is at 96 Robinson Road, #12-04 SIF Building, Singapore 068899.

The controlling shareholder of the Company is Telemedia Pacific Group Limited, incorporated in the British Virgin Islands.

The principal activity of the Company is that of investment holding. The principal activities of its subsidiaries are disclosed in Note 12 to the financial statements.

2 Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollar ($), which is the Company's functional currency and all values are rounded to the nearest thousand ($'000). The financial statements have been prepared in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards (International) ("SFRS(I)s"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of the consolidated financial statements in conformity with SFRS(I)s requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The areas involving a high degree of judgment in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial year are disclosed in Note 3 to the financial statements.

The carrying amounts of cash and bank balances, trade and other current receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

2 Summary of significant accounting policies (cont'd)

2.2 New accounting standards effective on 1 April 2019

The accounting policies adopted are consistent with those previously applied under SFRS(I). The adoption of these standards does not have any impact to the financial performance or position of the Group and the Company.

SFRS(I) 16 *Leases*

The Group applied SFRS(I) 16 *Leases* using the modified retrospective approach, under which the cumulative effect of initial application is recognised in accumulated losses at 1 April 2019. Accordingly, the comparative information presented for 2018 is not restated - i.e., it is presented, as previously reported, under SFRS(I) 1-17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in SFRS(I) 16 have not generally been applied to comparative information.

Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*. The Group now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in SFRS(I) 16.

On transition to SFRS(I) 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Group applied SFRS(I) 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under SFRS(I) 1-17 and SFRS(I) INT 4 were not reassessed for whether there is a lease under SFRS(I) 16. Therefore, the definition of a lease under SFRS(I) 16 was applied only to contracts entered into or changed on or after 1 April 2019.

As a lessee

As a lessee, the Group leases office. The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under SFRS(I) 16, the Group recognises right-of-use assets and lease liabilities for most of the leases – i.e., the lease is recognised on statement of financial position.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price. However, for leases of property, the Group has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component.

2 Summary of significant accounting policies (cont'd)

2.2 New accounting standards effective on 1 April 2019 (cont'd)

Leases classified as operating leases under SFRS(I) 1-17

Previously, the Group classified office lease as operating leases under SFRS(I) 1-17. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the respective lessee entities' incremental borrowing rates applicable to the leases as at 1 April 2019.

Right-of-use assets are measured at their carrying amount as if SFRS(I) 16 had been applied since the commencement date, discounted using the applicable incremental borrowing rates at the date of initial application: the Group applied this approach to all of its leases.

The Group has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use asset are impaired.

The Group used a number of practical expedients when applying SFRS(I) 16 to leases, previously classified as operating leases under SFRS(I) 1-17. In particular, the Group:

- to apply a single discount rate to a portfolio of leases with reasonably similar characteristics.
- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise right-of-use assets and liabilities for leases of low value assets;
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.

Impact on financial statements

	$'000
Operating lease commitments as at 31 March 2019	164
Less: Committed non-cancellable leases with lease terms commencing after 1 April 2019	(164)
Lease liabilities as at 1 April 2019	-

2 Summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	Effective for the Group's annual periods beginning on or after
Amendments to References to the Conceptual Framework in SFRS(I) Standards	1 April 2020
Amendments to SFRS(I) 3: *Definition of a Business*	1 April 2020
Amendments to SFRS(I) 1-1 and SFRS(I) 1-8: *Definition of Material*	1 April 2020
Amendments to SFRS(I) 10 and SFRS(I) 1-28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries at the end of the reporting period. Subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting date as the parent company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, including income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends, are eliminated in full. Profits and losses resulting from intra-group transactions that are recognised in assets are eliminated in full.

Business combinations are accounted for using the acquisition method.

Under the acquisition method, the consideration transferred for the acquisition comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are recognised as expenses as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Any excess of the fair value of the consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree (if any) and the fair value of the Group's previously held equity interest in the acquiree (if any), over the fair value of the net identifiable assets acquired is recorded as goodwill. In instances where the latter amount exceeds the former and the measurement of all amounts has been reviewed, the excess is recognised as gain on bargain purchase in profit or loss on the date of acquisition. Goodwill is accounted for in accordance with the accounting policy for goodwill stated in Note 2.7 to the financial statements.

2 Summary of significant accounting policies (cont'd)

2.4 Basis of consolidation (cont'd)

Non-controlling interests are part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and statements of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on an acquisition-by-acquisition basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the acquiree's net identifiable assets, at the acquisition date. All other non-controlling interests are measured at acquisition-date fair value or, when applicable, on the basis specified in another standard.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owner in their capacity as owners) and therefore, no gain or loss is recognised in profit or loss.

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill, non-controlling interest and other components of equity related to the subsidiary are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to accumulated profits if required by a specific FRS.

Any retained equity interest in the previous subsidiary is remeasured at fair value at the date that control is lost. The difference between the carrying amount of the retained interest at the date control is lost, and its fair value is recognised in profit or loss.

2.5 Investment in subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

In the Company's statement of financial position, investments in subsidiaries are accounted for at cost less accumulated impairment losses. On disposal of the investment, the difference between the disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2 Summary of significant accounting policies (cont'd)

2.6 Joint venture (Equity - accounted investees)

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in joint ventures are accounted for in the consolidated financial statements using the equity method of accounting, less impairment losses, if any.

Investments in joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Subsequent to initial recognition, the Group's share of its joint ventures' post-acquisition profits or losses is recognised in the profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from joint ventures are adjusted against the carrying amount of the investment. When the Group's share of losses in joint venture equals or exceeds its interest in the joint venture, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the joint venture.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the joint venture recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately as income in the Group's profit or loss.

Where a group entity transacts with joint venture of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant joint venture.

The most recently available financial statements of the equity-accounted investees are used by the Group in applying the equity method of accounting. Where the dates of the audited financial statements used are not co-terminus with those of the Group, the share of results is arrived at from the last audited financial statements available and unaudited management financial statements to the end of the accounting year.

Upon loss of joint control over the joint ventures, the Group measures any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the aggregate of the retained investment and proceeds from disposal is recognised in profit or loss.

If the Group's ownership interest in a joint venture is reduced, but the Group continues to apply the equity method, the Group shall reclassify to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

2 Summary of significant accounting policies (cont'd)

2.7 Goodwill

Goodwill is initially measured at cost and is subsequently measured at cost less any accumulated impairment losses.

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of a subsidiary or joint venture, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of joint venture is described in Note 2.6 to the financial statements.

2.8 Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is calculated on a straight-line basis to write off the cost of property, plant and equipment over their estimated useful lives. The estimated useful lives are as follows:

	No. of years
Leasehold improvement	2 to 5
Universal Service Obligation ("USO") Equipment	2 to 10
Plant & equipment	2 to 5

The estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are recognised in profit or loss when the changes arise.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

2 Summary of significant accounting policies (cont'd)

2.9 Impairment of non-financial assets excluding goodwill

At the end of each reporting period, the Group assesses the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A previously recognised impairment loss for an asset other than goodwill is only reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. A reversal of an impairment loss is recognised immediately in profit or loss.

2.10 Financial assets

Classification and measurement

Financial assets are classified in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss ("FVPL").

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

2 Summary of significant accounting policies (cont'd)

2.10 Financial assets (cont'd)

At subsequent measurement

(i) Debt instruments

Debt instruments mainly comprise cash and bank balances and trade and other receivables.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, FVOCI and FVPL. The Group only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

(ii) Equity investments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "other gains and losses", except for those equity securities which are not held for trading. The Group has elected to recognise changes in fair value of equity securities not held for trading in other comprehensive income as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "fair value gains / losses" in Other Comprehensive Income. Dividends from equity investments are recognised in profit or loss as "dividend income".

Impairment

The Group has the following types of financial assets subject to the expected credit loss impairment model under SFRS(I) 9:

- trade and other receivables at amortised cost;

The Company has the following types of financial assets subject to the expected credit loss impairment model under SFRS(I) 9:

- other receivables; and
- amounts due from subsidiaries at amortised cost;

The Group assesses on a forward-looking basis the expected credit loss associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2 Summary of significant accounting policies (cont'd)

2.11 Derivative financial instruments and hedging activities

Derivative financial instruments are used to manage exposure to foreign exchange and interest rate risks arising from operational and financing activities. Derivative financial instruments are not used for trading purpose. Derivatives that do not meet the criteria for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, derivative financial instruments are remeasured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in statement of comprehensive income.

2.12 Financial liabilities

The Group's financial liabilities include "trade payables", "other payables and accruals" (excluding deferred expenditure) and "amounts due to subsidiaries". Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instruments. Financial liabilities are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the contractual obligation under the liability is discharged or cancelled or expires. Gains and losses are recognised in profit or loss when the liabilities are derecognised through the amortisation process.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.13 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits with financial institutions which are readily convertible to a known amount of cash and subject to an insignificant risk of change in value and excludes pledged deposits.

2.14 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle that obligation and the amount can be estimated reliably. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. Where the effect of the time value of money is material, the amount of the provision shall be discounted to present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risk specific to the obligation.

When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost in profit or loss.

2 Summary of significant accounting policies (cont'd)

2.15 Share capital and treasury shares

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

When ordinary shares are reacquired ("treasury shares"), the amount of consideration paid including any directly attributable incremental costs is recognised directly in equity, until they are cancelled, sold or reissued. When treasury shares are subsequently cancelled, the cost of the treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained earnings of the Company, if the shares are purchased out of earnings of the Company. When treasury shares are subsequently sold or reissued, the cost of treasury shares is reversed from the treasury shares account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve of the Company.

2.16 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation. The following specific recognition criteria must also be met before revenue is recognised.

Interest income is recognised using the effective interest method.

2.17 Leases

The Group has applied SFRS(I) 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under SFRS(I) 1-17 and SFRS(I) INT 4. The details of accounting policies under SFRS(I) 1-17 and SFRS(I) INT 4 are disclosed separately.

(a) Policy applicable from 1 April 2019

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in SFRS(I) 16.

This policy is applied to contracts entered into, on or after 1 April 2019.

2 Summary of significant accounting policies (cont'd)

2.17 Leases (cont'd)

(a) Policy applicable from 1 April 2019 (cont'd)

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Group uses the lessee's incremental borrowing rate as the discount rate.

The Group determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

2 Summary of significant accounting policies (cont'd)

2.17 Leases (cont'd)

(a) Policy applicable before 1 April 2019

Lessee - Operating leases

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

2.18 Employee benefits

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund ("CPF"), and will have no legal or constructive obligation to pay further contributions once the contributions have been paid. Contributions to defined contribution plans are recognised as an expense in the period in which the related service is performed.

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

Performance Share Scheme

Employees of the Group receive remuneration in the form of share awards as consideration for services rendered.

The Group has in place, the Next-Generation Satellite Communications Performance Share Scheme for awarding of fully paid ordinary shares to group employees, when and after pre-determined performance targets are accomplished and/or when due recognition should be given to any good work performance and/or any significant contribution to the Group.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the awards at the date on which the awards are granted. In valuing the share awards, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company. This cost is recognised in profit or loss as share-based compensation expense, with a corresponding increase in the share-based compensation reserve, over the vesting period in which the service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award.

When the awards are released, the share-based compensation reserve is transferred to share capital if new shares are issued. When treasury shares are issued upon exercise of awards, the difference between the cost of treasury shares and the proceeds received net of any directly attributable costs are transferred to capital reserve.

2 Summary of significant accounting policies (cont'd)

2.19 Income taxes

Income tax on the profit or loss for the financial year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable or recoverable on the taxable income for the current financial year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable or recoverable in respect of previous years.

Deferred income tax is provided using the liability method, on all temporary differences at the end of the reporting period arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except where the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither the accounting nor taxable profit or loss.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and joint ventures, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on currently enacted or substantively enacted tax rates at the end of the reporting period.

Deferred income tax is charged or credited to equity if the tax relates to items that are credited or charged, in the same or a different period, directly to equity.

2.20 Functional and foreign currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which that entity operates (the "functional currency"). The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollar, which is the Company's functional currency.

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except for currency translation differences on net investment in foreign operations and borrowings and other currency instruments qualifying as net investment hedges for foreign operations, which are recognised in other comprehensive income and accumulated in the currency translation reserve within equity in the consolidated financial statements. The currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

2 Summary of significant accounting policies (cont'd)

2.20 Functional and foreign currencies (cont'd)

Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Group's presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing rates at the end of the reporting period;

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) All resulting exchange differences are recognised in other comprehensive income and accumulated in the currency translation reserve within equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in the currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

On disposal of a foreign group entity, the cumulative amount of the currency translation reserve relating to that particular foreign entity is reclassified from equity and recognised in profit or loss when the gain or loss on disposal is recognised.

2.21 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the statements of financial position, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2 Summary of significant accounting policies (cont'd)

2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker responsible for allocating resources and assessing performance of the operating segments.

2.23 Fair value estimation of financial assets and liabilities

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions based on market conditions that are existing at the end of the reporting period. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analysis, are also used to determine the fair values of the financial instruments.

The fair value of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2.24 Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

  (i) Has control or joint control over the Company;
  (ii) Has significant influence over the Company; or
  (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

  (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  (iii) Both entities are joint ventures of the same third party.
  (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
  (vi) The entity is controlled or jointly controlled by a person identified in (a).
  (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or Company or to the parent of the Company.

3 Critical accounting judgments and key sources of estimation uncertainty

Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Critical judgment in applying the Group's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 2 to the financial statements, management has made the following judgements, apart from those involving estimates, which have the most significant effect on the amounts recognised in the consolidated financial statements:

a) Investment in joint ventures

The Group holds 55% of the issued shares in its joint arrangement, HUH Broadband Communication Company Limited ("HUH") (Note 11). 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.

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.

b) Lodgement of police report against two former directors of the Company

On 3 June 2019, the Company lodged a police report in relation to suspected unauthorized payments of approximately S$1.1 million made by two former directors of the Company. The Commercial Affairs Department of the Singapore Police Force ("CAD") is in possession of relevant documents provided by the Company to assist in their investigations.

The Company's Board of Directors (the "Board") has appointed Providence Law Asia LLC ("PLA LLC") as legal counsel to advise on the CAD's investigations.

Management has assessed that no asset or income is required to be recognised as at 31 March 2020 as the inflow of cash is contingent to a successful claim, which management has determined to be uncertain. The assessment process involved significant management judgement and is subject to future developments relating to the investigations.

3 Critical accounting judgments and key sources of estimation uncertainty (cont'd)

3.2 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. Thus resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable, except for goodwill in which the Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

Further details of the key assumptions applied in the impairment of investment in joint ventures and investment in subsidiaries and its carrying amounts are disclosed in Note 11 and 12 respectively to the financial statements.

The carrying amount of property, plant and equipment is disclosed in Note 10.

(b) Income taxes

The Group has exposure to income taxes in numerous jurisdictions. Significant judgement and estimation is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group has not recognised any additional tax liability on these uncertain tax positions. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group's and the Company's income tax payable as at 31 March 2020 is $0.8 million and Nil (2019: $0.8 million and Nil) respectively.

The Group has unutilised tax losses amounting to approximately $4.85 million (2019: $4.85 million) [Note 8]. These losses relate to the Company and certain subsidiaries that have a history of losses, do not expire and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have neither temporary taxable differences nor any tax planning opportunities available that could support the recognition of any of these losses as deferred tax asset.

4 Revenue

No revenue has been generated during the current and previous financial year as the Group's interest income from its convertible notes has ceased following its redemption on 2 November 2016.

5 Other income

	Group	
	2020	2019
	$'000	$'000
Interest income	**119**	222
Currency exchange gain - net	**-**	102
Gain on disposal of subsidiaries	**2,723**	-
Reversal of impairment loss in joint venture	**18,215**	2,050
Reversal of impairment loss of other receivables	**163**	-
Non-trade payables written off	**330**	-
Fair value gain on derivative financial derivatives	**-**	25
Others	**-**	36
	21,550	2,435

6 Profit before income tax

Profit before income tax is arrived at after charging/(crediting):

	Group	
	2020	2019
	$'000	$'000
Impairment loss on other receivables (Note 14)	**101**	793
Reversal of impairment loss on investment in joint ventures (Note 11)	**(18,215)**	(2,050)
Interest on lease liability (Note 24)	**4**	-
Audit fees		
- auditors of the Company-current year	**75**	90
- other auditors of subsidiaries-current year	**19**	32
Depreciation of property, plant and equipment (Note 10)	**89**	8
Employee benefits expense (Note 7)	**363**	763
Legal and professional expenses	**128**	175
Fair value gain on derivative financial instrument	**-**	(25)

7 Employee benefits expense

	Group	
	2020	2019
	$'000	$'000
Directors' remuneration (including Performance Share Scheme):		
- directors of holding company		
- salaries and allowance	**88**	348
- employer's contributions to defined contribution plans	**7**	-
	95	348
Key management personnel (non-director)		
- salaries and allowance	**143**	143
- employer's contributions to defined contribution plans	**13**	13
	156	156
Total compensation of key management personnel [Note 25(c)]	**251**	504
Other personnel		
- salaries and allowance	**96**	225
- employer's contributions to defined contribution plans	**16**	34
	112	259
Total employee benefits expense (Note 6)	**363**	763

Key management personnel are directors and those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

8 Income tax credit

Income tax credit attributable to profit for the financial year is as follows:

	Group	
	2020	2019
	$'000	$'000
Income tax		
- current	**8**	-
- over provision in prior year	**(124)**	-
	(116)	-

8 Income tax credit (cont'd)

A reconciliation of the income tax credit and the accounting profit multiplied by the statutory rate is as follows:

	Group	
	2020	2019
	$'000	$'000
Profit before tax	**19,599**	538
Income tax credit at the statutory rate of 17% (2019: 17%)	**3,332**	91
Effects of:		
- Non-deductible expenses	**-**	112
- Income not subject to tax	**(3,324)**	(184)
- Different tax rates in different countries	**-**	(149)
- Losses disallowed	**-**	130
- Over provision in prior year	**(124)**	-
Income tax credit	**(116)**	-

The Group has unused tax losses of approximately $4.85 million (2019: $4.85 million) for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of this balance is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation. The tax losses have no expiry date.

9 Earnings per share

	Group	
	2020	2019
	$'000	$'000
The calculation of earnings per share is based on the following:		
Profit attributable to the equity holders of the Company	**19,761**	588
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share ('000)	**6,424,736**	6,424,736
Earnings per share attributable to equity holders of the Company (cents per share):		
- Basic	**0.3076**	0.0092
- Diluted	**0.3076**	0.0092

10 Property, plant and equipment

	Leasehold improvement $'000	USO equipment $'000	Plant and equipment $'000	Total $'000
Group				
Cost				
Balance at 1.4.2018	317	5,071	638	6,026
Additions	-	-	3	3
Translation differences on consolidation	8	(9)	(1)	(2)
Balance at 31.3.2019	325	5,062	640	6,027
Additions	321	-	-	321
Written off and disposal	(279)	(5,062)	(585)	(5,926)
Balance at 31.3.2020	**367**	**5,062**	**55**	**422**
Accumulated depreciation				
Balance at 1.4.2018	312	5,070	631	6,013
Charge for the financial year (Note 6 & 26)	3	-	5	8
Translation differences on consolidation	8	(9)	(1)	(2)
Balance at 31.3.2019	323	5,061	635	6,019
Charge for the financial year	85	1	3	89
Written off and disposal	(279)	(5,062)	(585)	(5,926)
Balance at 31.3.2020	**129**	**-**	**53**	**182**
Carrying amount				
At 31.3.2019	2	1	5	8
At 31.3.2020	**238**	**-**	**2**	**240**

10 Property, plant and equipment (cont'd)

	Leasehold improvement $'000	Plant and equipment $'000	Total $'000
Company			
Cost			
Balance at 1.4.2018	46	52	98
Additions	-	3	3
Balance at 31.3.2019	46	55	101
Additions	321	-	321
Balance at 31.3.2020	**367**	**55**	**422**
Accumulated depreciation			
Balance at 1.4.2018	42	45	87
Charge for the financial year	3	5	8
Balance at 31.3.2019	45	50	95
Charge for the financial year	84	3	87
Balance at 31.3.2020	**129**	**53**	**182**
Carrying amount			
At 31.3.2019	1	5	6
At 31.3.2020	**238**	**2**	**240**

11 Investment in joint ventures

	Group	
	2020	2019
	$'000	$'000
Unquoted equity shares, at cost	**52,162**	52,162
Group's share of post-acquisition losses	**(525)**	(2,288)
Accumulated impairment loss	**(28,643)**	(46,858)
Currency alignment	**(258)**	(216)
	22,736	2,800

11 Investment in joint ventures (cont'd)

The movement in accumulated impairment loss is as follows:

	Group	
	2020	2019
	$'000	$'000
Balance at beginning of the financial year	**46,858**	48,908
Reversal for the financial year	**(18,215)**	(2,050)
Balance at end of the financial year	**28,643**	46,858

The Group's investment in joint ventures is summarised below:

Name of companies	Principal activities	Country of incorporation/ place of business	Proportion of ownership interests	
			2020	2019
			%	%
Held through China UnifiedNet Holdings Limited				
HUH Broadband Communication Company Limited ("HUH") [1]	Investment holding and trading of satellite communication system devices	Hong Kong SAR	**55**	55
Held through HUH				
HNC Company Limited ("HNC") [1] [2]	Development of internet and satellite communication system technology and trading in satellite communication system devices	People's Republic of China	**55**	55
HUH Company Limited	Trading in satellite communication system devices	Hong Kong SAR	**55**	55
Held through HNC				
Beijing China Satcom Unified Network Systems Technology Co., Ltd. [1]	Development of internet and computer technology	People's Republic of China	**55**	55
Held through HUH company Limited				
Belt and Road Broadband Satellite Company Limited	Trading in satellite communication system devices	Cayman Islands	**55**	55

11 Investment in joint ventures (cont'd)

The Group's investment in joint ventures is summarised below: (cont'd)

Held through NGSC Capital Limited				
Indo EM Growth Fund GP Holdings Limited ("Indo EM Holdings") [1]	Investment holding	Cayman Islands	**50**	50

[1] Audited by RT LLP, Singapore, for the purpose of expressing an opinion on the consolidated financial statements for the financial year ended 31 March 2020

[2] Audited by Beijing Huiyun Accounting Firm Co Limited for local statutory reporting

The Company's 100% owned subsidiary, China UnifiedNet Holdings Limited ("CUH"), which holds 55% of the issued shares in HUH Broadband Communication Company Limited ("HUH"). HUH in turns holds two wholly owned subsidiaries, namely HughesNet China Company Limited ("HNC") and Beijing China Satcom Unified Network Systems Technology Co., Ltd. ("BUN") (collectively "HUH Group").

In the previous financial year, the Company's 55% owned subsidiary, NGSC Capital Pte. Ltd. through its wholly-owned subsidiary NGSC Capital Limited has entered into a shareholders' agreement with One Belt One Road Opportunity Ltd. to jointly incorporate a company in the Cayman Islands under the name of Indo EM Growth Fund GP Holdings Limited ("Indo EM Holdings"). Indo EM Holdings which in turns holds 100% of the issued shares in Indo EM Growth Fund GP Limited ("Indo EM Fund").

On 5 February 2018, NGSC Capital Pte. Ltd. has divested its shareholding of 1 ordinary share in Indo EM Fund representing 100% of the issued and paid up capital of Indo EM Fund to Indo EM Holdings at a consideration of US$0.01, on the basis of the book value of the 1 ordinary share in Indo EM Fund of US$0.01. Following the divestment, Indo EM Fund ceased to be a subsidiary of the Company.

Impairment review of investment in joint ventures

During the current financial year, management performed an impairment test for the investment in HUH Group. The recoverable amount is defined as the higher of an asset's or cash generating unit's fair value ("FV") less costs of disposal and its value in use ("VIU"). Management is of the view that there is no basis for making a reliable estimate of the price, that is , fair value at which an orderly transaction to sell the asset would not be possible and therefore has used value in use as the recoverable amount. Accordingly, management has used the independent valuer's value in use valuation as its recoverable amount.

The VIU valuation is based on management financial budget approved by the Board covering a 5 year period. The use of the VIU valuation involved significant judgement in the forecast projection of sales and operating cash flows for the next five years. The VIU valuation included assumptions of terminal growth rate and weighted cost of capital ("WACC").

A reversal of impairment loss of $18.22 million (FY2019: $2.05 million) was recognised in current financial year to its recoverable amount of $22.7 million (FY2019: $2.8 million).

11 Investment in joint ventures (cont'd)

Sensitivity analysis

The key assumptions used in the value-in-use valuation is WACC at 11.94%.

Had the actual results varied from WACC of 11.94%, the estimated recoverable amount of the investment and the reversal of impairment charge would be as follows:

	Estimated recoverable amount $'000	**(Decrease)/ increase in reversal of impairment charge $'000**
1% higher WACC at 12.94%	20,176	(2,561)
1% lower WACC at 10.94%	25,911	3,174

HUH Group is considered a jointly controlled entity as there is contractually agreed sharing of joint control over the economic activity of the entity with HughesNet China Company Limited as well as the strategic financial and operational decisions relating to the activity would require the unanimous consent of both parties that are sharing the control (Note 3.1).

The following table summarises the financial information of the Group's material joint venture, HUH Group based on its financial statements prepared in accordance SFRS(I) as well as to analyse, in aggregate, the carrying amounts of the Group's immaterial joint venture, Indo EM Holdings, which are not equity for using the equity method. In addition, the table below also shows a reconciliation of the summarised financial information presented to the carrying amounts of the Group's interest in the joint ventures.

			2020 $'000	2019 $'000
	HUH Group	**Indo EM Holdings**	**Total**	Total
Summarised statement of comprehensive income				
Revenue	**11,712**	**-**	**11,712**	27,481
Profit/(Loss) after tax	**3,434**	**(7)**	**3,427**	1,572
Total comprehensive income/(loss)	**3,434**	**(7)**	**3,427**	1,572
Amortisation of intangible assets	**(634)**	**-**	**(634)**	(1,098)
Depreciation of property, plant and equipment	**(112)**	**-**	**(112)**	(114)
Summarised statement of financial position				
Non-current assets	**208**	**-**	**208**	1,137
Current assets	**11,613**	**-**	**11,613**	15,604
Current liabilities	**(12,870)**	**(47)**	**(12,917)**	(19,368)
Total equity attributed to the equity holders of the Company	**(1,049)**	**(47)**	**(1,096)**	(2,627)

Included in the summarised statement of financial position are cash and cash equivalents amounting to $1.70 million (2019: $1.67 million) for the financial year ended 31 March 2020.

11 Investment in joint ventures (cont'd)

Reconciliation of the summarised financial information presented to the carrying amounts of its interest in the joint ventures

			2020	2019
			$'000	$'000
	HUH Group	**Indo EM Holdings**	**Total**	
Group's share of net liabilities based on proportion of ownership interest	**(577)**	**(26)**	**(603)**	(1,444)
Goodwill on acquisition	**51,077**	**26**	**51,103**	51,084
Accumulated impairment loss	**(28,643)**	**-**	**(28,643)**	(46,858)
Translation differences on consolidation	**879**	**-**	**879**	18
Balance at end of the financial year	**22,736**	**-**	**22,736**	2,800

The Group engaged an independent valuer to perform a value in use valuation. The valuer adopted certain specific assumptions and the major ones are as below:

(i) Additional 1% of other risk premium was applied to the discount rate in considering the increase in the risk of achieving the forecast, including but not limited to the impact on the business of the Group by COVID 19;

(ii) The outstanding balances of cash, debt, non-operating assets, and non-operating liabilities of the Group as at the Date of Valuation have been considered in arriving at the value in use of the Group;

(iii) The unaudited financial statement of the Group as at the Date of Valuation provided by the Management can reasonably reflect its financial position since an audited financial statement of the Group as at the Date of Valuation was unavailable;

(iv) The valuation was mainly based on the 3 year financial forecast as provided by the Management. The projections outlined in the financial information provided are assumed to be reasonable, reflecting market conditions and economic fundamentals, and will be materialized

(v) According to the signed contracts and proposal/business plan between the Group and its customers provided by the Management, the following table summarize the lump sum of revenue with reference documents and the revenue forecast throughout the financial projection period provided by the Management:

Forecast period	**1 April 2020 to 31 March 2021**	**1 April 2021 to 31 March 2022**	**1 April 2022 to 31 March 2023**
Revenue (RMB)	34,585,001	74,935,310	139,269,823
Revenue for potential projects with signed contracts (RMB)	5,200,000*	5,200,000*	5,200,000*
Percentage of revenue with reference documents	15.04%	6.94%	3.73%

11 Investment in joint ventures (cont'd)

(vi) As advised by the Management, the revenue and costs growth rate after FY2023 would be 2.5%, with reference to the inflation rate in Hong Kong and China;

(vii) The Group will be operated and developed as planned by the Management;

(viii) All relevant legal approvals and business certificates or licenses to operate the business in the localities in which the Group operates or intends to operate would be officially obtained and renewable upon expiry;

(ix) There will be sufficient supply of technical staff in the industry in which the Group operates, and the Group will retain competent management, key personnel and technical staff to support its ongoing operations and developments;

(x) There will be no major changes in the current taxation laws in the localities in which the Group operates or intends to operate and that the rates of tax payable shall remain unchanged and that all applicable laws and regulations will be complied with;

(xi) There will be no major change in the political, legal, economic or financial conditions in the localities in which the Group operates or intends to operate, which would adversely affect the revenues attributable to and profitability of the Group; and

(xii) Interest rates and exchange rates in the localities for the operation of the Group will not differ materially from those presently prevailing.

(xiii) Included in the present value of discounted cash flows is a terminal value amounting to about 78% of the total present value of discounted cash flows.

12 Investment in subsidiaries

	Company	
	2020	2019
	$'000	$'000
Unquoted equity shares, at cost	**65,725**	65,725
Accumulated impairment loss	**(20,633)**	(38,848)
Balance at end of the financial year	**45,092**	26,877

The movement in accumulated impairment loss is as follows:

	Company	
	2020	2019
	$'000	$'000
Balance at beginning of the financial year	**38,848**	41,648
Reversal of impairment loss	**(18,215)**	(2,800)
Balance at end of the financial year	**20,633**	38,848

12 Investment in subsidiaries (cont'd)

Name of companies	Principal activities	Country of incorporation / place of business	Proportion of ownership interest	
			2020	2019
			%	%
Ban Joo Global Pte Ltd [1]	Investment holding	Singapore	**100**	100
Fortknox Global Pte Ltd [1]	Dormant	Singapore	**-**	100
Telemedia Pacific Communications Pte Ltd	Investment holding and provision of connectivity services	Singapore	**-**	100
VIP (HK) Ltd ("VIP HK") [2][5]	Investment holding and satellite telecommunications related sales and services rendering	Hong Kong SAR	**100**	100
China UnifiedNet Holdings Limited [3][5]	Investment holding	British Virgin Islands	**100**	100
Arch Capital Limited [3][5]	Holder of convertible note	British Virgin Islands	**100**	100
Hillgo Asia Limited [3][5]	Holder of convertible note	British Virgin Islands	**100**	100
NGSC Investment Management Pte Ltd [1]	Investment holding	Singapore	**100**	100
NGSC Capital Pte. Ltd. [1][5]	Investment holding	Singapore	**55**	55
Held through VIP (HK) Ltd				
Multi Bright (HK) Ltd [2][5]	Investment holding	Hong Kong SAR	**100**	100
Star Light Telemedia DC Limited ("SLTL") [2][5]	Provision of data centre services	Hong Kong SAR/Indonesia	**100**	100
Held through Telemedia Pacific Communications Pte Ltd				
Multi Skies Nusantra Limited [2][5]	Investment holding	Hong Kong SAR	**-**	100
PT Karunia Anugerah Mitra Utama [4][5]	Investment holding	Indonesia	**-**	100
PT Multi Skies Nusantara [4][5]	Building, operating and leasing of Universal Service Obligation equipment	Indonesia	**-**	100

12 Investment in subsidiaries (cont'd)

Name of companies	Principal activities	Country of incorporation / place of business	Proportion of ownership interest	
			2020	2019
			%	%
Held through NGSC Capital Pte Ltd				
NGSC Investment Limited [(2)]	Investment holding	Hong Kong SAR	**55**	55
NGSC Capital Limited [(3)(5)]	Investment holding	Cayman Islands	**55**	55

(1) Audited by AG Assurance, Singapore.

(2) Audited by World Link CPA Limited and Baker Tilly Hong Kong Limited for the financial year ended FY2020 and FY2019 respectively, for local statutory reporting.

(3) Not required to be audited in the country of incorporation.

(4) Audited by Rama Wendra Indonesia, member firm of RT ASEAN Network for local statutory reporting.

(5) Audited by RT LLP, Singapore, for the purpose of expressing an opinion on the consolidated financial statements for the financial year ended 31 March 2020.

(6) Not required to be audited as it was dormant during the financial years ended 31 March 2020 and 31 March 2019.

12 Investment in subsidiaries (cont'd)

The following table summarises financial information of the Group's subsidiary, NGSC Capital Pte Ltd has non-controlling interests ("NCI") of 45% that are material to the Group. These are presented before inter-company eliminations.

	2020	2019
	$'000	$'000
Summarised statement of comprehensive income		
Revenue	**-**	-
Loss after tax	**(101)**	(111)
Total comprehensive loss	**(101)**	(111)
Loss after tax attributable to NCI	**(46)**	(50)
Total comprehensive loss attributable to NCI	**(46)**	(50)
Summarised statement of financial position		
Non-current assets	**-**	-
Current assets	**5**	173
Current liabilities	**(159)**	(219)
Net liabilities	**(154)**	(46)
Net liabilities attributable to NCI	**(70)**	(21)
Summarised statement of cash flows		
Cash flows from operating activities	**(86)**	(152)
Cash flows from investing activities	**-**	-
Cash flows from financing activities	**-**	238
Net (decrease)/increase in cash and cash equivalent	**(86)**	86

12 Investment in subsidiaries (cont'd)

On 19 March 2020, the Group disposed of its entire equity interest in Telemedia Pacific Communication Pte Ltd ("TPC") and its subsidiaries and Fortknox Global Pte Ltd ("FG").

Analysis of assets and liabilities over which control was lost

	TPC 2020 $'000	FG 2020 $'000	Total 2020 $'000
Cash and cash equivalent	1,478	-	1,478
Other receivables	2,968	9	2,977
Other payables	(5,997)	(22)	(6,019)
Net liabilities disposed of	(1,551)	(13)	(1,564)

Consideration received

	TPC 2020 $'000	FG 2020 $'000	Total 2020 $'000
Cash consideration received	1,159	-	1,159

Gain on disposal of subsidiaries

	TPC 2020 $'000	FG 2020 $'000	Total 2020 $'000
Consideration received	1,159	-	1,159
Net liabilities disposed of	1,551	13	1,564
Gain on disposal of subsidiaries	2,710	13	2,723

The aggregate cash outflow arising from disposal of subsidiaries

	TPC 2020 $'000	FG 2020 $'000	Total 2020 $'000
Cash consideration received	1,159	-	1,159
Less: cash and cash equivalent balances disposed of	(1,478)	-	(1,478)
Cash flow arising from disposal of subsidiaries	(319)	-	(319)

The gain on disposal of the subsidiaries is recorded as part of profit for the year in the consolidated statement of profit or loss and other comprehensive income.

13 Trade receivables

	Group	
	2020	2019
	$'000	$'000
Trade receivables	**9,539**	9,539
Less: Allowance for impairment of trade receivables	**(9,539)**	(9,539)
Total trade receivables, net	**-**	-

Expected credit losses

The movement in allowance for expected credit losses of trade receivables based on lifetime ECL (simplified) was as follows:

	$'000
At 31 March 2018 under FRS 39	**9,539**
Effect of adopting SFRS(I) 9	**-**
At 1 April 2018	**9,539**
Charge for the year	**-**
At 31 March 2019 and 1 April 2019	**9,539**
Charge for the year	**-**
At 31 March 2020	**9,539**

14 Other receivables, deposits and prepayments

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Other receivables:				
- Third parties [1]	**2,054**	2,063	**42**	1,002
- Niaga [2]	**635**	635	**-**	-
- Loan to joint ventures [3]	**833**	793	**833**	793
	3,522	3,491	**875**	1,795
Less: Allowance for impairment of other receivables	**(3,355)**	(3,254)	**(848)**	(1,747)
Less: Write off of other receivebles	**(135)**	-	**-**	-
Other receivables, net	**32**	237	**27**	48
Refundable deposits	**23**	75	**22**	32
Prepayments	**38**	22	**38**	22
	93	334	**87**	102

14 Other receivables, deposits and prepayments (cont'd)

(1) Other receivables - Subscription of convertible notes from JeeOne International Holding Limited

On 18 September 2017, the Company entered into an agreement (the "Subscription Agreement") with a Hong Kong incorporated company, JeeOne International Holding Limited ("JeeOne") to subscribe for $937,800 (equivalent of RMB 4.5 million) convertible notes with 7% interest per annum (payable every 6 months in advance).

On 19 September 2017, the Company remitted approximately $891k [equivalent to USD 662,451.18] (being RMB 4.5 million net 3.5% interest payable in advance). The objective of the convertible notes is to enable JeeOne's 47.94% owned investee company in the People's Republic of China ("PRC") to go for Initial Public listing in Hong Kong.

On 18 March 2018, JeeOne defaulted its interest payment of $33k (equivalent to RMB 158,794.52). After some internal deliberation, the Board on 12 July 2018 through a legal counsel in Hong Kong served a statutory demand letter to JeeOne for both the principal and interest of $924k (equivalent to RMB 4,658,794.52).

On 18 July 2018, the Company announced that the it has issued a Statutory Demand ("Demand") to JeeOne for the repayment of an outstanding debt of approximately RMB 4.6 million ("Outstanding Debt") within 3 weeks after service of the Demand. This Demand was issued by the Company as the Outstanding Debt remained unpaid despite repeated reminders to repay the same.

The Outstanding Debt was the amount due to the Company under the convertible notes issued by JeeOne with the principal amount of RMB 4.5 million and the interest accrued on the convertible notes of RMB 0.1 million.

The Company is unable to reliably measure the embedded derivatives separately from the host contracts and accordingly, the entire convertible notes have been designated as financial assets at fair value through profit or loss.

As JeeOne has defaulted on the Outstanding Debt, management has determined the fair value of the convertible notes to be Nil as at the end of the reporting period.

The convertible notes details are as follows:-

Issuer:	JeeOne International Holding Limited
Conversion Price:	Based on proportion of RMB 4.5 million loan over the value of JeeOne's PRC investee Company (i.e. JeeOne China) computed at 5.5 times its net profit after tax at the time of conversion
Issue Date:	19 September 2017
Maturity Date:	18 September 2018
Principal Value:	RMB 4.5 million (equivalent to $937,800)
Interest Rate:	7% per annum

14 Other receivables, deposits and prepayments (cont'd)

(2) Other receivables – Niaga

This refers to amount held by Niaga in Hong Kong. The receivable was fully impaired in the previous financial year.

Background information

On 5 July 2012, the Company announced that its auditors in the preceding year (Crowe Horwath First Trust LLP) had received audit confirmations from Niaga on 29 June 2012 for the financial year ended 31 March 2012 ("FY2012") for approximately $26.8 million and $9.4 million placed by the Group and the Company respectively. The audit confirmations stated that approximately $24.0 million and $9.4 million deposited by the Group and the Company respectively were restricted (i.e. cannot be freely withdrawn). This did not reconcile with the records of the Group and the Company. The Group was only aware of a sum of approximately $4.2 million (from the total sum of $26.8 million) being regarded by Niaga as restricted cash to cover conditional letter of credit previously issued by Niaga to satisfy certain commitments of its subsidiary.

In addition, the aforesaid audit confirmations also did not account for a sum of approximately $2.8 million (which formed part of the total sum of $26.8 million as at 31 March 2012). A reconciliation of the discrepancy between the Group and the Company's records and Niaga's audit confirmations for the financial year ended 31 March 2012 are illustrated as follows:

31 March 2012 Type of cash balance	Group's records $'000	Audit Confirmation $'000	Discrepancy $'000
Group			
Free cash balance	22,586	21	22,565
Restricted cash balance	4,235	24,005	19,770
Total	26,821	24,026	2,795
Company			
Free cash balance	9,411	3	9,408
Restricted cash balance	-	9,408	9,408
Total	9,411	9,411	-

The Group was not aware of any authorised transactions between itself and Niaga that led to the funds being restricted (other than those sums involved in the aforesaid LC). Although the Group immediately requested explanations and relevant documents from Niaga to support their basis for restricting the funds of the Group, it did not receive any.

On 25 July 2012, the Company then announced that it had appointed Ernst & Young Advisory Pte. Ltd. ("EY") as the independent accounting firm to conduct an independent investigation into the circumstances that led to the funds placed with Niaga being restricted, including a review of the processes and procedures around the Group's deposit and placement of funds with Niaga, as well as verifying the movement of cash placed and the restriction.

14 Other receivables, deposits and prepayments (cont'd)

(2) Other receivables – Niaga (cont'd)

Background information (cont'd)

On 25 June 2013, the Company announced that the Group and the Company entered into an agreement ("Agreement") with Niaga to set out a frame work towards the settlement of funds amounting to approximately $24.0 million and $9.4 million (equivalent to approximately HK$146.2 million and HK$57.2 million) that were placed by the Group and the Company respectively with Niaga and were regarded as restricted by the latter.

Pursuant to the Agreement, Niaga deposited the following documents ("Security Documents") to the solicitors of the Group ("Stakeholder") by way of security ("Security"):

(i) the certificates representing the two non-transferable convertible notes ("Convertible Notes") for the total principal amount of HK$144.0 million (equivalent to approximately $24 million) issued by Neo Telemedia Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited, to Arch Capital Limited and Hillgo Asia Limited respectively (collectively, the "Noteholders");

(ii) undated and blank transfer instruments, share certificates in respect of the issued shares in the capital of the Noteholders, corporate approvals duly signed by Tako Secretaries Limited ("Tako"), in its capacity as the sole shareholder and sole director of the Noteholders and documents necessary to effect the transfer of the entire issued share capital of the Noteholders to the Company; and

(iii) undated board resolutions and resignation letters duly signed by Tako to effect its position as the director of the Noteholders.

Note: The Noteholders, Arch Capital Limited and Hillgo Asia Limited were incorporated in the British Virgin Island as a BVI Business Company on 12 and 28 March 2013 respectively.

The Company completed the acquisition of 100% of the entire issued and paid-up share capital of Arch Capital Limited ("Arch") from Tako Secretaries Limited, through the agreement with Niaga for a purchase consideration of approximately $15.8 million (equivalent to HK$95 million). The acquisition of Arch and Hillgo was completed on 2 July 2013.

14 Other receivables, deposits and prepayments (cont'd)

(2) Other receivables – Niaga (cont'd)

Background information (cont'd)

Accordingly, the movements in other receivables from Niaga arising from the above is as follow:

	← The Subsidiaries →				The Company		Group Total	
	VIP HK		SLTL		NGSC			
	2016/ 2015	2014	**2016/ 2015**	2014	**2016/ 2015**	2014	**2016/ 2015**	2014
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Balance at beginning of the financial year	**633**	13,302	**-**	2,808	**-**	9,409	**633**	25,519
Repayment during the financial year	**-**	-	**-**	-	**-**	(911)	**-**	(911)
Settlement through Convertible Notes (Note 17)	**-**	(12,716)	**-**	(2,808)	**-**	(8,498)	**-**	(24,022)
Currency translation difference	**-**	47	**-**	-	**-**	-	**-**	47
	633	633	**-**	-	**-**	-	**633**	633

The remaining amount of $0.63 million due to the subsidiary, VIP as at 31 March 2015 was withheld for settlement of invoices in respect of 65 sets of USO equipment (Note 2.8) under a Letter of Credit arrangement provided by Niaga on behalf of VIP.

Management is of the view that the entire amount of $0.63 million due to the subsidiary, VIP is unlikely to be receivable. Accordingly, management has made an allowance for impairment amounting to $0.63 million in the prior financial year.

(3) Loan to joint ventures

Amount due from joint ventures are non-trade in nature, unsecured, interest-free and payable on demand.

Movements in allowance for impairment of other receivables are as follows:

	Group	
	2020	2019
	$'000	$'000
Balance at beginning of the financial year	**3,254**	2,417
Charge for the financial year (Note 6)	**101**	793
Exchange differences	**-**	44
Balance at end of the financial year	**3,355**	3,254

14 Other receivables, deposits and prepayments (cont'd)

(3) Loan to joint ventures (cont'd)

The currency profiles of other receivables, deposit and prepayments as at end of the reporting period are as follows:

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Singapore dollars	**85**	176	**87**	102
Indonesian rupiah	**-**	136	**-**	-
Hong Kong dollars	**6**	13	**-**	-
United States dollars	**2**	9	**-**	-
	93	334	**87**	102

15 Amounts due from subsidiaries/(due to subsidiaries) (non-trade)

	Company	
	2020	2019
	$'000	$'000
Amounts due from subsidiaries [Note (a)]	**12,994**	686
Amounts due to subsidiaries	**(37,717)**	(35,948)
Note (a):		
Amounts due from subsidiaries	**19,694**	16,564
Less: Allowance for impairment	**(6,700)**	(15,878)
	12,994	686

Movements in allowance for impairment of amounts due from subsidiaries are as follows:

	Company	
	2020	2019
	$'000	$'000
Balance at beginning of the financial year	**15,878**	15,088
Charged to profit or loss	**339**	787
Reversal of allowance for impairment	**(9,515)**	-
Exchange differences	**(2)**	3
Balance at end of the financial year	**6,700**	15,878

15 Amounts due from subsidiaries/(due to subsidiaries) (non-trade) (cont'd)

The currency profiles of amounts due from subsidiaries and due to subsidiaries as at end of the reporting period are as follows:

	Company	
	2020	2019
	$'000	$'000
Amounts due from subsidiaries:		
Singapore dollars	**10,017**	-
United States dollars	**2,861**	625
Hong Kong dollars	**116**	61
	12,994	686
Amounts due to subsidiaries:		
Singapore dollars	**7,508**	7,514
United States dollars	**1,869**	1,816
Hong Kong dollars	**28,340**	26,618
	37,717	35,948

The amounts due from subsidiaries and due to subsidiaries are unsecured, interest free, and repayable on demand, subject to the availability of funds from the Company.

16 Cash and bank balances

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Cash and bank balances	**15,463**	16,661	**2,493**	16,516

The currency profiles of cash and bank balances as at end of the reporting period are as follows:

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Singapore dollars	**11,714**	255	**1,627**	204
United States dollars	**3,559**	3,306	**680**	3,304
Indonesian rupiah	**-**	3	**-**	-
Hong Kong dollars	**190**	13,097	**186**	13,008
	15,463	16,661	**2,493**	16,516

17 Derivative

	Group			
			2020	2019
	Notional Amount		$'000	$'000
	2020	2019	Assets/ (Liabilities)	
Futures contracts				
Securities – Negative fair value	-	-	-	-
Total financial assets/(liabilities) at fair value through profit or loss			-	-

	Group	
	2020	2019
	$'000	$'000
Margin call account	-	600

Margin call account represent cash deposits with broker transferred as collateral against open derivative contracts and denominated in US$.

In FY 2018, the Group through one of its subsidiary, Ban Joo Global Pte Ltd ("BJG") opened an account with InterActive Broker to enter into derivative contracts as part of its trading activity for the treasury funds of the Company.

This is entirely a trading activity for the treasury funds of NGSC Limited. BJG was used as a vehicle to confine the risk capital to the amount of deposits placed with InterActive Broker, and is not an open-ended exposure. The total amount of deposits placed with InterActive Broker was $679k (equivalent to USD 500k). This deposit had since dropped to $600k (equivalent to USD 443k) as at 31 March 2019 with the cumulative $79k loss incurred since FY 2018.

The trading account is part of a normal treasury function to manage the liquidity position of the Group which is mostly denominated in US Dollar and Hong Kong Dollar, the latter being closely pegged to US Dollar.

The margin call account has been closed in April 2019.

18 Trade payables

Trade payables are non-interest bearing and are generally settled within 0 to 30 days (2019: 0 to 30 days).

The currency profiles of trade payables as at end of the reporting period are as follows:

	Group	
	2020	2019
	$'000	$'000
United States dollars	**11**	53
Indonesian rupiah	**-**	164
	11	217

19 Other payables and accruals

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Other payables				
- Director related company [1]	**4**	459	**-**	-
- Third parties	**93**	374	**93**	202
	97	833	**93**	202
Accruals [2]	**939**	1,500	**847**	1,140
Amount due to former director [3]	**53**	53	**53**	53
	1,089	2,386	**993**	1,395

(1) Director related company refers to a company in which directors of the Company's subsidiary has controlling financial interest in. The balance due to director related company is unsecured, interest-free and repayable on demand.

(2) Included in accruals are $0.8 million (2019: $1.0 million) that relates to the provision of directors' fees.

(3) The balance due to former director is unsecured and interest-free.

19 Other payables and accruals (cont'd)

The currency profiles of other payables and accruals as at end of the reporting period are as follows:

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Singapore dollars	**1,010**	1,423	**993**	1,395
United States dollars	**19**	97	**-**	-
Indonesian rupiah	**-**	358	**-**	-
Hong Kong dollars	**60**	508	**-**	-
	1,089	2,386	**993**	1,395

20 Share capital

	Group and Company			
	2020		2019	
	Number of ordinary shares '000	**$'000**	Number of ordinary shares '000	$'000
Issued and paid-up				
Balance at beginning of the financial year	**6,448,936**	**145,623**	6,448,936	145,623
Share awards granted during the financial year	**-**	**-**	-	-
Balance at the end of the financial year	**6,448,936**	**145,623**	6,448,936	145,623

The holders of the ordinary shares are entitled to receive dividend as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and has no par value.

21 Treasury shares

	Group and Company			
	2020		2019	
	Number of ordinary shares '000	**$'000**	Number of ordinary shares '000	$'000
Balance at beginning and end of the financial year	**(24,200)**	**(1,219)**	(24,200)	(1,219)

Treasury shares relate to ordinary shares of the Company that is held by the Company.

22 Capital reserve

	Group and Company	
	2020	2019
	$'000	$'000
Balance at beginning and end of the financial year	**(169)**	(169)

This represented the loss on re-issue of treasury shares in the financial year 2011. The capital reserve is non-distributable.

23 Settlement shares

	Group and Company	
	2020	2019
	$'000	$'000
Balance at beginning and end of the financial year	**(1,140)**	(1,140)

This relates to the settlement agreement the Company had entered into with Ban Joo Investment (Pte) Ltd on 20 February 2017. Following this settlement agreement, management valued the 380 million NGSC shares at $1.14 million based on its share price of $0.003 cents as at 17 February 2017.

24 Lease liability

Where the Group is the lessee

The Group has lease contracts for its offices. The Group's obligations under these leases are secured by the lessor's title to the leased assets. The Group is restricted from assigning and subleasing the leased assets.

(a) Carrying amounts of right-of-use assets classified within property, plant and equipment

	Leasehold improvement Group and Company 2020 $'000
At 1 April 2019	**-**
Addition (adoption of SFRS(I) 16)	**321**
Depreciation	**(83)**
At 31 March 2020	**238**

24 Lease liability (cont'd)

(b) Amounts recognised in profit or loss

	Group and Company 2020 $'000
Depreciation of right-of-use assets	**83**
Interest expense on lease liabilities	**4**
Total amount recognised in profit or loss	**87**

(c) Total cash outflow

The Group had total cash outflows for leases of $85,000 in the current financial year.

Operating lease commitments – as lessee (previous financial year)

The Group and Company had lease contracts for offices under non-cancellable operating lease agreements. These leases had varying terms.

As at 31 March 2019, the future minimum lease payables under non-cancellable operating leases contracted for but not recognised as liabilities, were as follows:

	Group and Company 2019 $'000
Future minimum lease payments	**87**
-Not later than one year	**77**
-Later than one year and not later than 5 years	**164**

Minimum lease payments recognised as an expense in profit or loss for the financial year ended 31 March 2019 amounted to $130,000.

As disclosed in Note 2.2, the Group and Company have adopted SFRS(I) 16 on 1 April 2019. These lease payments 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.

25 Related party information

(a) In addition to related party information disclosed elsewhere in the financial statements, there are no other significant transactions with related parties conducted during the financial year on terms agreed between the parties concerned.

Outstanding balances as at the end of the reporting period arising from advances from/(to) related parties are disclosed in Notes 14, 15 and 19 to the financial statements respectively.

(b) As referred to in Note 14 to the financial statements, Niaga is a limited liability company incorporated in Hong Kong. Based on the information available to the Company, a controlling shareholder and former director of the Company is a director of and registered shareholder (holding approximately 19% interest) of the holding company that owned the entire issued share capital of Niaga up to October 2014.

(c) Key management personnel compensation are disclosed in Note 7 to the financial statements.

26 Segment information

Disclosure of information about operating segments is made as required by SFRS(I) 8 Operating Segments. This disclosure standard has no impact on the reported results or financial position of the Group.

The Group currently has only one business segment, which is the building, operating and leasing of base station controllers for USO, provision of data center and connectivity services, and other satellite communication related sales and services. This business segment is currently carried out by the Group's joint venture.

The geographical segment represent the Group's distinguishable components which provide products or services within a particular economic environment (location) and this component contains risk and returns that are different from those components which operate in other economic environments (locations).

During the reporting year, the Group had 2 (2019: 2) reportable operating segments by geographical area: People's Republic of China and Singapore (2019: People's Republic of China and Singapore).

26 Segment information (cont'd)

The following is an analysis of the Group's revenue and results by reportable segment:

	Building, operating and leasing USO equipment, provision data center and connectivity service	Unallocated	Group
2020	**$'000**	**$'000**	**$'000**
Revenue			
External sales	-	-	-
Segment results			
Loss from operations	52	(1,831)	(1,779)
Other expenses	(819)	(1,116)	(1,935)
Other income	-	21,550	21,550
Share of profit of joint venture	1,763	-	1,763
Profit before tax			19,599
Income tax credit			116
Profit after tax			19,715
Segment assets representing consolidated total assets	2,741	35,793	38,534
Segment liabilities	963	137	1,100
Unallocated liabilities			
- Income tax payable	-	-	-
Consolidated total liabilities			1,100
Non-current assets	4,521	18,455	22,976
Other segment items			
Depreciation of property, plant and equipment (Note 10)	-	89	89
Reversal of impairment loss on other receivables	-	3,239	3,239

26 Segment information (cont'd)

2019	Building, operating and leasing USO equipment, provision data center and connectivity service $'000	Unallocated $'000	Group $'000
Revenue			
External sales	-	-	-
Segment results			
Loss from operations	(2)	(1,613)	(1,615)
Other expenses	(264)	(898)	(1,162)
Other income	-	2,435	2,435
Share of profit of joint venture	880	-	880
Profit before tax			538
Income tax credit			-
Profit after tax			538
Segment assets representing consolidated total assets	2,941	17,462	20,403
Segment liabilities	947	1,656	2,603
Unallocated liabilities - Income tax payable	697	117	814
Consolidated total liabilities			3,417
Non-current assets	2,802	6	2,808
Other segment items			
Depreciation of property, plant and equipment (Note 10)	-	8	8
Impairment loss on other receivables (Note 14)	-	793	793
Impairment loss on investment in joint ventures (Note 11)	-	(2,050)	(2,050)

26 Segment information (cont'd)

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Non-current assets	
	2020	2019
	$'000	$'000
People's Republic of China	**4,521**	2,800
Singapore	**2**	8
Group	**4,523**	2,808

Non-current assets information presented above consist of property, plant and equipment, goodwill, investment in joint venture as presented in the statements of financial position.

27 Financial instruments

(a) Categories of financial instruments

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statement of financial position except for the following:

	Group		**Company**	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Financial assets				
At amortised cost	**15,520**	16,973	**15,498**	17,282
At FVPL	**-**	600	**-**	-
	15,520	17,573	**15,498**	17,282
Financial liabilities				
At amortised cost	**1,100**	2,603	**38,710**	37,343

(b) Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks are market risks (including foreign exchange risk and interest rate risk), liquidity risk and credit risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

With effect from the previous financial year, the Group entered into derivative contracts as part of its trading activity for the treasury funds of the Company (Note 17).

27 Financial instruments (cont'd)

(b) Financial risk management objectives and policies (cont'd)

(i) Market risk

Foreign currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in exchange rate. The Group and Company are exposed to movements in foreign currency exchange rates arising from normal transactions that are denominated in currencies other than the respective functional currencies of the Group's entities, primarily with respect to United States dollar ("USD"), Indonesian rupiah ("IDR") and Hong Kong dollars ("HKD"). The Group does not have a policy to hedge its exposure to foreign exchange risk.

Denominated in:	SGD	USD	IDR	HKD
	$'000	$'000	$'000	$'000
Group				
2020				
Financial assets				
Other receivables and deposits (exclude prepayments)	47	2	-	6
Cash and bank balances	11,714	3,559	-	190
	11,761	**3,561**	**-**	**196**
Financial liabilities				
Trade payables	-	11	-	-
Other payables and accruals	1,010	19	-	60
	1,010	**30**	**-**	**60**
Net financial assets	10,751	3,531	-	136
Less: Net financial assets denominated in the respective entities functional currencies	(10,751)	-	-	-
Foreign currency exposure	**-**	**3,531**	**-**	**136**

27 Financial instruments (cont'd)

(b) Financial risk management objectives and policies (cont'd)

(i) Market risk (cont'd)

Foreign currency risk (cont'd)

Denominated in:	SGD $'000	USD $'000	IDR $'000	HKD $'000
Group				
2019				
Financial assets				
Other receivables and deposits (exclude prepayments)	154	9	136	13
Cash and bank balances	255	3,306	3	13,097
	409	**3,315**	**139**	**13,110**
Financial liabilities				
Trade payables	-	53	164	-
Other payables and accruals	1,423	97	358	508
	1,423	**150**	**522**	**508**
Net financial assets/(liabilities)	**(1,014)**	**3,165**	**(383)**	**12,602**
Less: Net financial assets denominated in the respective entities functional currencies	1,046	188	383	50
Foreign currency exposure	**32**	**3,353**	**-**	**12,652**

Company **2020**	SGD $'000	USD $'000	IDR $'000	HKD $'000
Financial assets				
Other receivables and deposits (exclude prepayments)	49	-	-	-
Amounts due from subsidiaries	10,017	2,861	-	116
Cash and bank balances	1,627	680	-	186
	11,693	**3,541**	**-**	**302**
Financial liabilities				
Amounts due to subsidiaries	7,508	1,869	-	28,340
Other payables and accruals	993	-	-	-
	8,501	**1,869**	-	**28,340**
Net financial assets/(liabilities)	3,192	1,672	-	(28,038)
Less: Net financial liabilities denominated in the Company's functional currency	(3,192)	-	-	-
Foreign currency exposure	**-**	**1,672**	**-**	**(28,038)**

27 Financial instruments (cont'd)

(b) Financial risk management objectives and policies (cont'd)

(i) Market risk (cont'd)

Foreign currency risk (cont'd)

Denominated in:	SGD $'000	USD $'000	IDR $'000	HKD $'000
Company				
2019				
Financial assets				
Other receivables and deposits (exclude prepayments)	80	-	-	-
Amounts due from subsidiaries	-	625	-	61
Cash and bank balances	204	3,304	-	13,008
	284	**3,929**	-	**13,069**
Financial liabilities				
Amounts due to subsidiaries	7,514	1,816	-	26,618
Other payables and accruals	1,395	-	-	-
	8,909	**1,816**	-	**26,618**
Net financial assets/(liabilities)	(8,625)	2,113	-	(13,549)
Less: Net financial assets denominated in the Company's functional currency	8,625	-	-	-
Foreign currency exposure	-	2,113	-	(13,549)

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, mainly Indonesia and Hong Kong. The Group's net investment in Indonesia and Hong Kong are not hedged as currency positions in Indonesia and Hong Kong are considered to be long-term in nature.

Foreign currency risk sensitivity

The following table details the sensitivity to a 5% increase and decrease in the relevant foreign currencies against the functional currency of each group entity. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates.

27 Financial instruments (cont'd)

(b) Financial risk management objectives and policies (cont'd)

(i) Market risk (cont'd)

Foreign currency risk (cont'd)

Foreign currency risk sensitivity (cont'd)

If the relevant foreign currency weakens by 5% against the functional currency of each group entity, profit or loss will increase/(decrease) by:

	USD impact			IDR impact			HKD impact		
	2020	2019		**2020**	2019		**2020**	2019	
	$'000	$'000		**$'000**	$'000		**$'000**	$'000	
Group									
Profit or loss	**177**	168	(i)	**-**	**-**	(i)	**7**	630	(i)
Company									
Profit or loss	**84**	106	(ii)	**-**	**-**	(ii)	**(1,402)**	(677)	(ii)

If the relevant foreign currency strengthens by 5% against the functional currency of each group entity, profit or loss will increase/(decrease) by:

	USD impact			IDR impact			HKD impact		
	2020	2019		**2020**	2019		**2020**	2019	
	$'000	$'000		**$'000**	$'000		**$'000**	$'000	
Group									
Profit or loss	**(177)**	(168)	(i)	**-**	-	(i)	**(7)**	(630)	(i)
Company									
Profit or loss	**(84)**	(106)	(ii)	**-**	-	(ii)	**1,402**	677	(ii)

(i) This is mainly attributable to the exposure outstanding on receivable and payables at the end of the financial year in the Group.

(ii) This is mainly attributable to the exposure to outstanding US dollar inter-company payables at the end of the financial year.

Interest rate risk

The Group's policy is to obtain the most favourable interest rates available without increasing its foreign currency exposure. The Group constantly monitors its interest rate risk and does not utilise forward contracts or other arrangements for trading or speculative purposes. As at 31 March 2020, there were no such arrangements, interest rate swap contracts or other derivative instruments outstanding.

At the end of the financial year, the Group does not have any financial instruments which are subject to significant interest rate risks. The sensitivity analysis for interest rate is not disclosed as the effect on the profit or loss is considered not significant.

27 Financial instruments (cont'd)

(b) Financial risk management objectives and policies (cont'd)

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds.

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance its operations and mitigate the effects of fluctuations in cash flows.

The table below summarises the maturity profile of the Group's and the Company's non-derivative financial liabilities at the reporting date based on contractual undiscounted repayment obligations.

	2020		2019	
	1 year or less	**1 to 5 years**	1 year or less	1 to 5 years
	$'000	**$'000**	$'000	$'000
Group				
Trade and other payables	**1,100**	**-**	2,603	-
Company				
Amounts due to subsidiaries	**37,717**	**-**	35,948	-
Trade and other payables	**993**	**-**	1,395	-

(iii) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss. The Group's exposure to credit risk arises primarily from trade and other receivables. The Group adopts the policy of dealing only with customers of appropriate credit history and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Company and the Group adopt the policy of dealing only with high credit quality counterparties.

The Group's and the Company's objective is to seek continual growth while minimising losses incurred due to increased credit risk exposure.

The Group and the Company do not hold any collateral. The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty is unable to fulfil its contract or payment terms.

27 Financial instruments (cont'd)

(b) Financial risk management objectives and policies (cont'd)

(iii) Credit risk (cont'd)

The Group considers "low risk" to be an investment grade credit rating with at least one major rating agency for those investments with credit rating. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the borrower
- Significant increases in credit risk on other financial instruments of the same borrower
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is unable to fulfill its contract or payment terms.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the borrower
- A breach of contract, such as a default or past due event
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

27 Financial instruments (cont'd)

(b) Financial risk management objectives and policies (cont'd)

(iii) Credit risk (cont'd)

The Group's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
III	Amount is >60 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

The table below details the credit quality of the Group's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:

The Group

	Note	Category	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				$'000	$'000	$'000
31 March 2020						
Trade receivables	13	Note 1	Lifetime ECL (simplified)	9,539	(9,539)	-
Other receivables	14	I	12-month ECL	880	(848)	32
Refundable deposits	14	I	12-month ECL	75	-	75
					(10,387)	
1 April 2019						
Trade receivables	13	Note 1	Lifetime ECL (simplified)	9,539	(9,539)	-
Other receivables	14	I	12-month ECL	3,491	(3,254)	237
Refundable deposits	14	I	12-month ECL	75	-	75
					(12,793)	

27 Financial instruments (cont'd)

(b) Financial risk management objectives and policies (cont'd)

(iii) Credit risk (cont'd)

The Company

	Note	Category	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				$'000	$'000	$'000
31 March 2020						
Other receivables	14	I	12-month ECL	875	(848)	27
Refundable deposits	14	I	12-month ECL	22	-	22
Amounts due from subsidiaries	15	I	12-month ECL	19,694	(6,700)	12,994
					(7,548)	
1 April 2019						
Other receivables	14	I	12-month ECL	1,795	(1,747)	48
Refundable deposits	14	I	12-month ECL	32	-	32
Amounts due from subsidiaries	15	I	12-month ECL	16,564	(15,878)	686
					(17,625)	

Trade receivables (Note 1)

The Group determines the ECL by using debtor by debtor basis, since the trade receivables of the Group solely comprised few third parties.

28 Fair values of financial instruments

a) Fair value of financial instruments that are carried at fair value

Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value measurement disclosure of financial assets that are recognised or measured at fair value, can be found at Note 17.

28 Fair values of financial instruments (cont'd)

b) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amount is a reasonable approximation of fair value

The carrying amounts of cash and bank balances, trade and other receivables, trade and other payables, including amounts due from/to subsidiaries are reasonable approximation of fair values due to the relatively short-term maturity of these financial instruments.

c) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

As at end of the reporting period, there are no financial instruments in this category.

29 Subsequent events

a) Outbreak of Coronavirus Disease ("COVID-19")

The outbreak of Coronavirus (COVID-19) pandemic globally forced to cease or limit business operations for a period of time. Strict measures are being taken to contain the spread of COVID-19, including movement of transport vehicles, travel bans, social distancing and closure of non-essential services. This has also taken a toll on the global economic prospects and resulted in an economic slowdown, which will have impact on the business and operations of the Group.

At this point of time, it is not possible to estimate the duration and consequences of the COVID-19, as well as their impact on the financial position and business of the Group. However, the Group will continue to closely monitor the further economic development and its impact.

b) Inclusion on the Singapore Exchange Securities Trading Limited ("SGX-ST") Watch-List

On 3 December 2019, the Company received a Notification of Delisting (the "Notification") from the SGX-ST. The following were 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; and

b. the issuer or its controlling shareholder(s) must comply with the 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 SGD-ST 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 will remain suspended from 9 am, 3 January 2020 until completion of the exit offer.

29 Subsequent events (cont'd)

b) Inclusion on the Singapore Exchange Securities Trading Limited ("SGX-ST") Watch-List (cont'd)

In response to the Notification, the Company lodged an appeal on 27 December 2019 while it considers its options, including delisting. However, as at 31 March 2020, and post balance sheet period, efforts have been hampered by the COVID-19 pandemic, including travel restrictions and movement control orders in Singapore and across the region. These financial statements are prepared on the basis that the Company will continue to be listed on the SGX-ST and on the basis that the Group and Company will have full access to its assets, including cash balances and will continue to meet financial obligations recorded as at 31 March 2020.

30 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal structure so as to maximise shareholders' value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings, if any. The Group has complied with the externally imposed capital requirements during the financial years ended 31 March 2020 and 2019. The Group's overall strategy remains unchanged for the financial years ended 31 March 2020 and 2019.

31 Authorisation of financial statements

The financial statements of the Group; and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 March 2020 were authorised for issue in accordance with a resolution of the Directors dated 12 June 2020.

INFORMATION ON SHAREHOLDING

Issued and Fully Paid-Up Capital (including Treasury Shares)	:	S$156,586,798.55
Number of Issued Shares (excluding Treasury Shares)	:	6,424,735,828
Number/Percentage of Treasury Shares	:	24,200,000 (0.38%)
Class Of Shares	:	Ordinary shares
Number/Percentage of Subsidiary Holdings	:	Nil
Voting Rights (excluding Treasury Shares)	:	One vote per share

Distribution of shareholdings as at 29 May 2020

Size of shareholdings	No. of shareholders	%	No. of Shares	%
1 – 99	16	0.15	612	0.00
100 – 1,000	1,174	10.97	1,148,157	0.02
1,001 – 10,000	3,337	31.18	15,837,654	0.25
10,001 – 1,000,000	5,749	53.72	851,401,675	13.25
1,000,001 and above	426	3.98	5,556,347,730	86.48
Total	**10,702**	**100.00**	**6,424,735,828**	**100.00**

Based on the information available to the Company as at 29 May 2020, approximately 72% of the issued ordinary shares of the Company is held by the public and, therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Limited is complied with.

Twenty largest shareholders as at 29 May 2020

No.	Name of shareholders	No. of shares	%
1	UOB Kay Hian Pte Ltd	1,924,267,389	29.95
2	Citibank Nominees Singapore Pte Ltd	381,711,493	5.94
3	Wong Nam Sin	213,800,000	3.33
4	OCBC Securities Private Ltd	169,446,412	2.64
5	United Overseas Bank Nominees Pte Ltd	159,715,045	2.48
6	Miao Mingfeng	119,324,000	1.86
7	Maybank Kim Eng Securities Pte. Ltd	115,555,439	1.80
8	HSBC (Singapore) Nominees Pte Ltd	109,259,000	1.70
9	DBS Vickers Securities (S) Pte Ltd	95,533,799	1.49
10	DBS Nominees Pte Ltd	89,286,265	1.39
11	RHB Securities Singapore Pte Ltd	85,512,666	1.33
12	Phillip Securities Pte Ltd	81,473,599	1.27
13	RSM (Ong Teck Beng - B981/2017)	79,400,000	1.24
14	Wong Kwan Seng Robert or Tan Cheng Kit Alice	76,000,000	1.18
15	CGS-CIMB Securities (Singapore) Pte Ltd	61,764,000	0.96
16	Lim & Tan Securities Pte Ltd	52,301,000	0.81
17	Yoong Ah Ling	51,453,000	0.80
18	Lim Chin Tong	50,000,000	0.78
19	Ng Kun Kuan	45,000,000	0.70
20	Wisanggeni Lauw	43,533,333	0.68
	Total:	**4,004,336,440**	**62.33**

INFORMATION ON SHAREHOLDING

Substantial shareholders

Name of shareholders	Direct interest No. of shares	% of issued capital[1]	Deemed interest No. of shares	% of issued capital[1]
Telemedia Pacific Group Limited[2]	-	-	1,664,500,000	25.91
Family Unit Foundation Ltd[3]	-	-	1,664,500,000	25.91
Hady Hartanto[4]	-	-	1,676,097,000	26.09
Ban Joo Investment (Pte) Ltd[5]	384,799,887	5.99	-	-

Notes:

1 The percentage of issued share capital is calculated based on 6,424,735,828 shares (excluding 24,200,000 treasury shares).

2 Telemedia Pacific Group Limited ("TPG") is deemed to have an interest in 1,664,500,000 Shares held through various nominees accounts.

3 Family Unit Foundation Ltd is deemed to have an interest in the Shares held by TPG by virtue of Section 7 of the Companies Act.

4 Mr. Hady Hartanto is deemed to have an interest in 11,597,000 Shares held through Messrs Straits Law Pratice LLC as nominee and 1,664,500,000 Shares held by TPG by virtue of Section 7 of the Companies Act.

5 Ban Joo Investment (Pte) Ltd is deemed to have an interest in 384,799,887 shares held through a nominee account.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("AGM") of NGSC Limited (the "Company") will be convened and held by way of electronic means on Tuesday, 30 June 2020 at 10 a.m., to transact the following businesses: -

(A) ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the audited financial statements for the financial year ended 31 March 2020 together with the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect the following Directors retiring under the Company's Constitution:

   (i) Mr Lye Meng Yiau (Regulation 91) [See Explanatory Note (i)] **(Resolution 2)**

   (ii) Mr Chew Chin Wee (Regulation 97) [See Explanatory Note (ii)] **(Resolution 3)**

   (iii) Mr Miao Ming Feng (Regulation 97) [See Explanatory Note (iii)] **(Resolution 4)**

   (iv) Madam Wang Xiao Zheng (Regulation 97) [See Explanatory Note (iv)] **(Resolution 5)**

   (v) Mr Ong Tiang Lock (Regulation 97) [See Explanatory Note (v)] **(Resolution 6)**

3. To approve the payment of Directors' Fees of S$183,661 for the financial year ended 31 March 2020 (2019: S$205,000). **(Resolution 7)**

4. To re-appoint Messrs RT LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 8)**

(B) SPECIAL BUSINESS

5. To consider and, if thought fit, to pass the following resolution as Ordinary Resolution, with or without amendments: **(Resolution 9)**

   General Share Issue Mandate

   "That pursuant to Section 161 of the Companies Act, Cap. 50 and the listing rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the Directors of the Company to:

   (a) (i) allot and issue shares, whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require Shares to be issued during the continuance of such authority or thereafter, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Board may, in their absolute discretion, deem fit; and

(b) issue Shares in pursuance of any Instrument made or granted by the Board while such authority was in force (notwithstanding that such issue of the Shares pursuant to the Instruments may occur after the expiration of the authority contained in this Resolution);

provided that:

(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of instruments made or granted pursuant to this Resolution) does not exceed 50% of the issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below) of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(aa) new Shares arising from the conversion or exercise of any convertible securities which were issued and are outstanding or subsisting at the time of the passing of this Resolution;

(bb) new Shares arising from the exercise of share options or the vesting of share awards which were issued and are outstanding or subsisting at the time of the passing of this Resolution and provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and

(cc) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company;

(4) unless revoked or varied by the Company in general meeting, such authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting ("AGM") of the Company is required by law to be held, whichever is the earlier." [See Explanatory Note (vi)]

6. To transact any other business that may be properly transacted at an Annual General Meeting.

BY ORDER OF THE BOARD

Lye Meng Yiau
Managing Director

Date: 15 June 2020

Explanatory Notes:

(i) Detailed information on Mr Lye Meng Yiau can be found in the Company's Annual Report 2020. Mr Lye Meng Yiau will, upon re-election as a Director, continue to serve as the Managing Director of the Company. Please refer to pages 28 to 35 of the Annual Report for the detailed information required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST.

(ii) Detailed information on Mr Chew Chin Wee can be found in the Company's Annual Report 2020. Mr Chew Chin Wee will, upon re-election as a Director, continue to serve as Independent Director, Chairman of the Audit Committee and Member of the Nominating Committee of the Company. Mr Chew Chin Wee is considered by the Board to be independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST. Please refer to pages 28 to 35 of the Annual Report for the detailed information required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST.

(iii) Detailed information on Mr Miao Ming Feng can be found in the Company's Annual Report 2020. Mr Miao Ming Feng will, upon re-election as a Director, continue to serve as Independent Director, Chairman of the Remuneration Committee and Member of the Audit Committee of the Company. Mr Miao Ming Feng is considered by the Board to be independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST. Please refer to pages 28 to 35 of the Annual Report for the detailed information required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST.

(iv) Detailed information on Madam Wang Xiao Zheng can be found in the Company's Annual Report 2020. Madam Wang Xiao Zheng will, upon re-election as a Director, continue to serve as Non-Executive Non-Independent Director and Member of the Remuneration Committee of the Company. Please refer to pages 28 to 35 of the Annual Report for the detailed information required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST.

(v) Detailed information on Mr Ong Tiang Lock can be found in the Company's Annual Report 2020. Mr Ong Tiang Lock will, upon re-election as a Director, continue to serve as Lead Independent Director, Chairman of the Nominating Committee and Member of the Audit and Remuneration Committee of the Company. Mr Ong Tiang Lock is considered by the Board to be independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST. Please refer to pages 28 to 35 of the Annual Report for the detailed information required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST.

(vi) The Ordinary Resolution 9 proposed in item 5 above, if passed, will empower the Directors of the Company to issue shares up to 50% of the Company's issued share capital, with an aggregate sub-limit of 20% of the Company's share capital for any issue of shares not made on a pro-rata basis to shareholders of the Company.

NOTICE OF ANNUAL GENERAL MEETING

Notes on the alternative arrangements for the forthcoming AGM in view of the COVID-19 circuit breaker restrictions:

(i) This forthcoming AGM is convened and is to be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. This Notice is published on the SGX website (https://www.sgx.com/securities/meeting-schedules). **Printed copies of this Notice will not be mailed to members (i.e. shareholders) of the Company.**

(ii) In view of the COVID-19 circuit breaker restrictions imposed by the Government of Singapore, **members will not be able to attend the forthcoming AGM in person**. A member (whether individual or corporate) who wishes to exercise his/her/its voting rights at the forthcoming AGM must appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM. A member should specifically indicate how the member wishes to vote for or vote against (or abstain from voting on) the resolutions.

(iii) A member who wishes to watch and observe the proceedings of the AGM through a live webcast (comprising both video (audio-visual) and audio-only feeds) via their mobile phones, tablets or computers are to submit their request by email, with their full name (as per CDP/CPF/SRS/Script-based records), identification number (e.g. NRIC/Passport Number/FIN), shareholding type(s) (e.g. CDP/CPF/SRS/Script-based), email address and contact number (to enable the Company and/or its agents and service providers to authenticate their status as member) to the Company by **10.00 a.m. on 27 June 2020** (i.e. not less than 72 hours before the time appointed for holding the above AGM), to ngsc_agmregistration@ngscinvestment.com.

Upon successful authentication, each such member will receive an email reply by **3.00 p.m. on 29 June 2020**. The email reply will contain instructions to access the live webcast of the AGM proceedings. Only authenticated members are permitted to access and attend the AGM proceedings. Members who have pre-registered by the deadline of 10.00 a.m. on 27 June 2020 but have not received an email reply by 3.00 p.m. on 29 June 2020 are to contact the Company for assistance by phone (at (65) 64793866) or by email (at aqilah.amin@ngscinvestment.com) as soon as practicable.

On the day of the AGM, before an authenticated and pre-registered member may access the live webcast and attend the AGM (by electronic means), the member's identity is required to be verified by the Company's Share Registrar. Members are encouraged to log on (to access to the live webcast of the AGM proceedings) early to avoid possible bottlenecks and potential delays. We seek your kind understanding and cooperation. Members may log on from **9.00 a.m. on Tuesday, 30 June 2020**.

(iv) Members will not be allowed to ask questions during the live webcast of the AGM. Members who may have questions relating to each resolution to be tabled for approval at the AGM are to submit their questions by email, together with their full name (as per CDP/CPF/SRS/Script-based records), identification number (e.g. NRIC/Passport Number/FIN), shareholding type(s) (e.g. CDP/CPF/SRS/Script-based), email address, and contact number (to enable the Company and/or its agents and service providers to authenticate their status as members) to the Company by **10.00 a.m. on 27 June 2020** (that is not less than 72 hours before the time fixed for holding the forthcoming AGM) to ngsc_agm_2020@ngscinvestment.com. The Company will endeavour to address all relevant and substantial questions (as may be determined by the Company in its sole discretion) received.

(v) CPF and SRS investors including persons who hold shares through relevant intermediaries (as defined in section 181 of the Companies Act, Cap. 50) who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks, SRS Operators or relevant intermediaries to submit their votes and/or questions relating to each resolution to be tabled for approval at the AGM, by **5.00 p.m. on 19 June 2020**. As a recap, only the chairman of the forthcoming AGM may be appointed as proxy.

(vi) If the member is a corporation, the instrument appointing the proxy must be under seal or the hand of an officer or attorney duly authorised.

(vii) The instrument appointing a proxy must either be deposited at the office of the Company's Share Registrar (i.e. B.A.C.S. Private Limited), at 8 Robinson Road, #03-00 ASO Building, Singapore 048544, or submitted to the Company by email to ngsc_agm_2020@ngscinvestment.com, by **10.00 a.m. on 28 June 2020** (that is, not less than 48 hours before the time appointed for holding the above AGM). Members are strongly encouraged to submit the completed and signed PDF copies of their proxy forms to the Company via email.

(viii) A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time fixed for holding the forthcoming AGM in order for the Depositor to be entitled to access the live webcast and attend and vote via proxy at the forthcoming AGM.

(ix) The Company will publish the minutes of the AGM via the SGXNet platform and the Company's website within one month after the date of AGM.

(x) As the COVID-19 situation continues to evolve, members are advised to read the Government of Singapore's "COVID-19: Advisories for Various Sectors" (https://www.gov.sg/article/covid- 19-sector-specific-advisories) including the health advisories issued by the Ministry of Health ("MOH"). The Company will monitor the situation and reserves the right to take further measures as appropriate in order to comply with the various government and regulatory advisories. Any changes to the manner of conduct of the forthcoming AGM will be announced by the Company on the SGXNet platform.

Summary of key dates and times Dates and times (Deadlines/Opening Time)	**Actions**
By Friday, 19 June 2020, 5.00 p.m.	For CPF and SRS investors including persons who hold shares through relevant intermediaries (as defined in section 181 of the Companies Act, Cap. 50) who wish to appoint the Chairman of the AGM as proxy to approach their respective CPF Agent Bank, SRS Operators or relevant intermediaries to submit their votes and/or questions relating to each resolution to be tabled for approval at the AGM.
By Saturday, 27 June 2020, 10.00 a.m.	For Members: (a) who have questions relating to the business of the AGM to email their questions to ngsc_agm_2020@ngscinvestment.com. (b) submit the necessary information required for authentication by email to ngsc_agmregistration@ngscinvestment.com should they wish to access the live webcast and attend the AGM.
By Sunday, 28 June 2020, 10.00 a.m.	For Members to deposit/email the completed and signed proxy forms either to (i) the Company's Share Registrar at 8 Robinson Road, #03-00 ASO Building, Singapore 048544, or (ii) to the Company to ngsc_agm_2020@ngscinvestment.com

NOTICE OF ANNUAL GENERAL MEETING

	In view of the COVID-19 situation, members are strongly encouraged to submit their completed and signed PDF copies of their proxy forms electronically via email to ngsc_agm_2020@ngscinvestment.com.
By Monday, 29 June 2020, 3.00 p.m.	For members who have been successfully authenticated to receive an email reply with instructions to access the live webcast of the AGM ("**Confirmation Email**"); and for members who have pre-registered but have not received any Confirmation Email by this time to contact the Company for assistance by phone (at (65) 64793866) or by email (at aqilah.amin@ngscinvestment.com) as soon as practicable.
Tuesday, 30 June 2020, 9.00 a.m.	When pre-registered members may log on for the Share Registrar to verify their identity and access to the live webcast to the AGM.

Personal data privacy:

By attending, speaking, proposing, seconding and/or voting at the AGM and/or by a member of the Company submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and/or vote at the AGM and/or any adjournment thereof, the person/member (i) understands and accepts that photographs, images, audio and/or video recordings and transcripts of the AGM may be taken and/or made by the Company (and/or its agents and service providers), (ii) consents to the collection, use and disclosure of the person's/member's and its proxy(ies)'s or representative(s)'s personal data by the Company (and/or its agents and service providers) for legal, regulatory, compliance, corporate policies, procedures and administration, corporate actions, corporate communications and investor relations purposes and for the purposes of the processing, administration and record keeping by the Company (and/or its agents and service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation, compilation, recording, keeping of the attendance lists, transcripts, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (and/or its agents and service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines and for publication and/or use in the Company's Annual Report, corporate brochures, newsletters, publications, materials and/or corporate website by the Company (and/or its agents and service providers) (collectively, the "**Purposes**"), (iii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (and/or its agents and service providers), the member has obtained the prior express consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (and/or its agents and service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iv) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

NGSC LIMITED

(Registration No.: 196400100R)
(Incorporated in the Republic of Singapore)

PROXY FORM

ANNUAL GENERAL MEETING

Important:

1. The AGM is convened and is to be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. The Notice of the AGM and this proxy form are published on and can be downloaded from the SGX website (https://www.sgx.com/securities/equities/T13#Company%20 Announcements). Printed copies of the Notice of the AGM and this proxy form will not be mailed to members (i.e. shareholders).
3. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via live webcast (comprising both video (audio-visual) and audio-only feeds)), submission of questions to the Chairman of the AGM in advance of the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the Notice of the AGM.
4. In view of the COVID-19 circuit breaker restrictions imposed by the Government of Singapore, members will not be able to attend the AGM in person. A member (whether individual or corporate) who wishes to exercise his/her/its voting rights at the forthcoming AGM must appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM. A member should specifically indicate how the member wishes to vote for or vote against (or abstain from voting on) the resolutions.
5. CPF/SRS investors including persons who hold shares through relevant intermediaries (as defined in section 181 of the Companies Act, Cap. 50) who wish to appoint the Chairman of the AGM as proxy, should approach their respective Agent Banks/SRS Operators or relevant intermediaries to submit their votes by 5.00 p.m. on 19 June 2020.
6. By submitting an instrument appointing the Chairman of the AGM as proxy, a member is deemed to have accepted and agreed to the personal data privacy terms set out in the Notice of the AGM dated 15 June 2020.
7. Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the AGM as a member's proxy to vote on his/her/its behalf at the AGM.

I/We*, _____ (Name) NRIC/Passport/Company Registration* No.

_____ of _____

_____ (Address)

being a shareholder/shareholders* of NGSC LIMITED (the "**Company**") hereby appoint the Chairman of the Annual General Meeting ("**AGM**") of the Company as my/our* proxy to vote for me/us* on my/our* behalf at the AGM of the Company to be held by electronic means on Tuesday, 30 June 2020 at 10.00 a.m. and at any adjournment thereof.

I/We* direct the Chairman of the AGM to vote for or against or abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as your proxy for that resolution(s) will be treated as invalid.**

All resolutions put to the vote at the AGM shall be decided by way of poll.

No.	Resolutions relating to:	Number of Votes For**	Number of Votes Against**	Number of Votes Abstain**
	Ordinary Business			
1.	Directors' Statement and Audited Financial Statements for the financial year ended 31 March 2020			
2.	Re-election of Mr Lye Meng Yiau as a Director			
3.	Re-election of Mr Chew Chin Wee as a Director			
4.	Re-election of Mr Miao Ming Feng as a Director			
5.	Re-election of Madam Wang Xiao Zheng as a Director			
6.	Re-election of Mr Ong Tiang Lock as a Director			
7.	Approval of Directors' fees amounting to S$183,661			
8.	Re-appointment of Messrs RT LLP as Auditors			
	Special Business			
9.	Authority to allot and issue new shares in the Company and make/grant/offer Instruments			

* *Delete accordingly*

** *If you wish to exercise all your votes "For" or "Against" or "Abstain", please indicate with a tick (√) within the box provided. Alternatively, please indicate the number of votes as appropriate.*

Dated this _____ day of _____ 2020

Total Number of Shares in:	Number of Shares
(a) CDP Register	
(b) Register of Members	

_____

Signature(s) of Shareholder(s)
or Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS FORM

Notes :

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of Securities and Futures Act (Chapter 289) of Singapore or any statutory modification thereof, as the case may be), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
2. In view of the COVID-19 circuit breaker restrictions imposed by the Government of Singapore, members will not be able to attend the AGM in person. A member (whether individual or corporate) who wishes to exercise his/her/its voting rights at the forthcoming AGM must appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM. This proxy form is made available on the SGX website (https://www.sgx.com/securities/equities/T13#Company%20Announcements). Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting (for or against), or abstention from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.
3. CPF/SRS investors including persons who hold shares through relevant intermediaries (as defined in section 181 of the Companies Act, Cap. 50) who wish to appoint the Chairman of the AGM as proxy should approach their respective Agent Banks/SRS Operators or relevant intermediaries to submit their votes by **5.00 p.m. on 19 June 2020**.
4. The Chairman of the AGM, as proxy, need not be a member of the Company.
5. A member who wishes to submit an instrument of proxy appointing the Chairman of the AGM as proxy must download, complete, sign and submit the proxy form, either by:

   (i) depositing the signed proxy form at the office of the Company's Share Registrar (i.e. (i.e. B.A.C.S. Private Limited), at 8 Robinson Road, #03-00 ASO Building, Singapore 048544; or

   (ii) scanning and emailing a copy of the signed proxy form to the Company to ngsc_agm_2020@ngscinvestment.com; and

   in either case, by **10.00 a.m. on 28 June 2020** (that is, not less than 48 hours before the time appointed for the AGM). **Members are strongly encouraged to submit their completed and signed PDF copies of their proxy forms to the Company via email (at ngsc_agm_2020@ngscinvestment.com).**
6. The instrument appointing the Chairman of the AGM as proxy must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing the Chairman of the AGM as proxy is executed by a corporation, it must be executed either under its Common Seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing the Chairman of the AGM as proxy is signed on behalf of the appoint or by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) either be:

   (i) lodged/deposited with the instrument of proxy (if submitted by post); or

   (ii) scanned and submitted electronically with the instrument of proxy (if submitted via email);

   failing which the instrument may be treated as invalid.
8. The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy. In addition, in the case of a member whose shares are entered against his/her/its name in the Depository Register, the Company may reject any instrument of proxy lodged if such member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.
9. Any alteration made in this instrument appointing the Chairman of the AGM as proxy, must be initialled by the member/person who signs it.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member is deemed to have accepted and agreed to the personal data privacy terms set out in the Notice of the AGM dated 15 June 2020.

NGSC LIMITED

(Company Registration Number 196400100R)

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