NGSC Limited

Sustainability Report 2020

Board's Message

The Board of Directors (the "Board" or the "Directors") of NGSC Limited ("NGSC", "we", or the "Company" and together with its subsidiaries, the "Group") is pleased to issue our 3rd Sustainability Report (the "Report") in line with the Singapore Exchange ("SGX") guidelines on Sustainability Reporting. We seek to provide stakeholders with a better understanding of our business and our approach to creating long-term value.

As an investment holding company, the Group recognises the global concerns on climate change, economic volatility, concerns in business ethics and trust, growing social needs, and changing consumer expectations on the role of businesses. The Group noted that the operating environment would be challenging going forward, especially under the outbreak of the Coronavirus Disease 2019 ("COVID-19") pandemic this year. The Group has been working on increasing shareholders value and mitigating the impact on the business.

The Group's corporate values are professionalism, integrity, commitment, and conviction. We consider the well-being of our employees, the environment, and societies in which we operate to be integral to sustainable growth.

The Board oversees the management and governance of sustainability and the selection of priority material factors. We are committed to maintaining good corporate governance, transparency, and accountability, and do so using a set of internal policies, structure, and processes, which include risk management, data protection, and anti-corruption policies.

To enhance the content of this Report, we have improved our sustainability approach by conducting a materiality assessment and have expanded our sustainability disclosure by including more key performance indicators. The Group's performance on the targets set in the previous sustainability report was monitored and the results are shown in the section headed "Sustainability Targets". We also undertook a new approach for stakeholder engagement and materiality assessment, and the results are shown in the section headed "Identifying Material Sustainability Topics".

On behalf of the Board and Management of NGSC, we wish to thank all who have been with us throughout our sustainability journey so far. We look forward to your continued partnership and support.

Yours sincerely,

Dr. Michael Kuan-Chi Sun

Executive Director

About This Report

Reporting Framework

This Report was prepared in accordance with Rules 711A and 711B of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") – Sustainability Reporting Guide. This Report was also prepared with reference to the Global Reporting Initiative ("GRI") Standards to allow a comparison of our performance over the years. We have chosen to adopt the GRI Sustainability Reporting Standards as it is the most widely accepted global framework for voluntary corporate reporting of environmental and social performance. In articulating our approach, we have applied the GRI principles of accuracy, balance, clarity, comparability, reliability, and timeliness. This Report is also in line with SGX-ST's 'comply or explain' requirements for sustainability reporting.

The Report references the following topic-specific disclosures:

- GRI 205: Anti-corruption 2016
- GRI 302: Energy 2016
- GRI 306: Effluents and Waste 2016
- GRI 307: Environmental Compliance 2016
- GRI 401: Employment 2016
- GRI 404: Training and Education 2016
- GRI 405: Diversity and Equal Opportunity 2016
- GRI 406: Non-discrimination 2016
- GRI 418: Customer Privacy 2016

Scope of Reporting

The Report focuses on the evaluation and measurement of the Group's business performance in terms of environmental, social and governance ("ESG") issues and covers the overall performance of one office in Singapore. The ESG key performance indicator data only include subsidiaries under the Group's direct operational control, therefore joint ventures are excluded. We have relied on the internal monitoring of data and verification to ensure accuracy. We have not sought external assurance for this Report and we may consider doing so for future sustainability reports.

Reporting Period

Unless otherwise stated, this Report covers the Group's overall sustainability performance from 1 April 2019 to 31 March 2020 ("FY2020").

Format of Reporting

In line with our environmental conservation efforts, we will not be printing any hard copies of this Report. An electronic edition of this Report is made available on the SGXNET and NGSC's website.

Contact Us

We welcome feedback and suggestion concerning this Report in writing to our principal place of business located at 96 Robinson Road, #12-04 SIF Building, Singapore 068899.

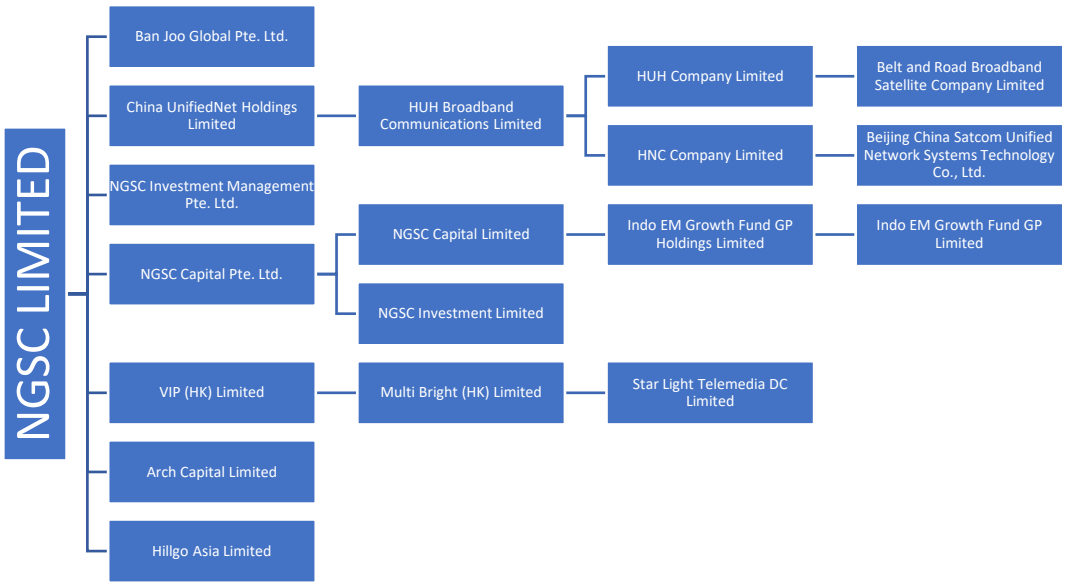
Company Information

NGSC, headquartered in Singapore, is an investment holding company. Through its joint venture, the Group is engaged in the business of providing satellite-based services to a variety of industries including educational and financial institutions in the People's Republic of China ("PRC").

The Company's core business through its joint venture in the PRC include: (1) sale of satellite communications equipment and (2) provision of satellite-based communication services to enable telecommunication services in remote areas of the PRC.

In FY2020, the outbreak of the COVID-19 pandemic globally forced the Company's joint venture to limit its business operations for a period of time. Strict measures were 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 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. As it is not possible to estimate the duration and consequences of the COVID-19 as well as its impact on the financial position and business of the Group, we will continue to closely monitor the economic environment in the future.

Corporate Structure (as at 31 March 2020)



Our Vision

The Company's vision is to become a leading satellite communications and telecommunication solutions service provider in Asia. The Group will continue to seek business opportunities in the region.

Our Corporate Values

Professionalism

- We uphold high-quality ethical standards and remain competent

Commitment

- We commit to supporting the interest of stakeholders

Integrity

- We maintain a sense of integrity, honesty, and discipline

Conviction

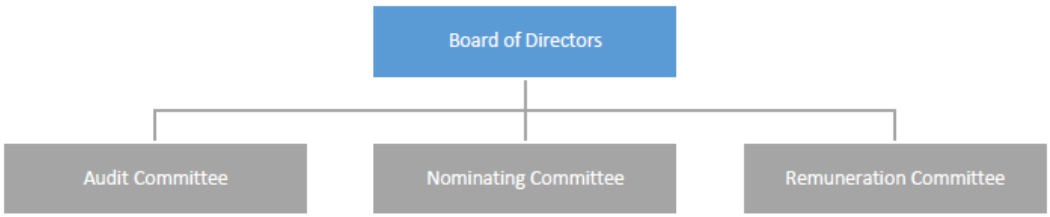
- We provide innovative solutions to societies

Membership of Associations

NGSC is a member of the Singapore Institute of Directors and the Singapore Business Federation and these memberships have provided a platform for our Directors and selected employees to network and to explore potential commercial opportunities with fellow members. NGSC reviews the need to participate in external bodies on an ongoing basis for the purpose of establishing business relationships.

External Initiatives
Due to the nature of business operations within NGSC, and that our corporate structure is lean as we are an investment holding company, external initiatives may not achieve the intended effect as our headcount is small. Notwithstanding that, NGSC is aware of the need to demonstrate our commitment to sustainability-related causes. In this regard, the Company will continue to explore any opportunities to participate in external initiatives.

Governance Structure



Board of Directors

- Dr Michael Kuan-Chi Sun (Executive Director)
- Mr Ong Tiang Lock (Lead Independent Director)
- Mr Chew Chin Wee (Independent Director)
- Ms Ng Yoke Ping, Pauline (Independent Director)
- Madam Sri Tjintawati Hartanto (Non-Executive Non-Independent Director)
- Madam Wang Xiao Zheng (Non-Executive Non-Independent Director)

Audit Committee

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

Nominating Committee

- Mr Ong Tiang Lock (Chairman)
- Madam Sri Tjintawati Hartanto
- Ms Ng Yoke Ping, Pauline

Remuneration Committee

- Mr Ong Tiang Lock (Chairman)
- Mr Chew Chin Wee
- Ms Ng Yoke Ping, Pauline

We have a clear and effective governance structure in place that is supported by policies, standards, practices, and guidelines. Our corporate governance structure comprises Independent and Non-Independent Directors who oversee and monitor political, operational, and environmental trends and risks that could affect business activities.

In order to have systematic management of the ESG issues, the Group has arranged designated personnel from various departments to handle ESG management as a working group. The working group is responsible for managing and monitoring our sustainability practices and the Board is updated on any material developments. Regular discussions are carried out on key issues in sustainability such as policies and measures implementation, stakeholder engagement, materiality topics, strategic planning, and goal setting.

Our Sustainability Approach

Stakeholders' Engagement

The Group values the opinions of its stakeholders and reviews the related ESG policies regularly. In order to address the key concerns from stakeholders, close communication is maintained to understand their feedback on ESG topics. We are continuously improving the adequacy and effectiveness of our risk assessment processes in response to the changing business and operating environments. Through regular stakeholder engagement, we identify and review material issues that are most relevant and significant to us and our stakeholders. We prioritise the sustainability issues that are material to the business and stakeholders.

The following table summarises our key stakeholders, engagement platforms, and their key concerns:

Stakeholders	Key Concerns	Engagement Platforms	Frequency
Employees	● Staff rights ● Safety and wellness ● Environmental responsibility	Staff appraisals	Annually
		Internal announcements	Regularly
Customers	● Quality of products and services ● Complaint handling mechanism	Company website	Ongoing
Shareholders	● Timely reporting	Annual general meeting	Annually
		Financial reports and result announcements	Quarterly

		Circulars to shareholders	On an as-needed basis
Business partners and suppliers	• Partnership for opportunities and growth	Conference meetings and multilateral discussions	Throughout the year
Government and regulators	• Environmental-friendly business approach • Compliance with regulations	SGX announcements	Throughout the year
		Discussion with regulators	On an as-needed basis
Public and community	• Environmental protection • Community participation	Sustainability reports	Annually

Identifying Material Sustainability Topics

The Group's management and staff in major functions were involved in the preparation of this Report in order to assist the Group in reviewing its operations and identifying the relevant sustainability issues. We adopted a four-step materiality assessment process to assess the importance of matters relevant to our business and stakeholders. A survey had been conducted in accordance with the identified material topics to collect information from relevant departments of the Group.

We recognise their concerns and undertook a comprehensive materiality assessment following leading practices outlined in the GRI. Going forward, we will continue to evaluate and review our material ESG topics with our stakeholders to ensure their relevance to the Group's operation.

The Group has adopted a four-step materiality assessment process summarised below:

1

Identification
A preliminary list of ESG matters were selected after discussion and analysis performed by the working group and the Board

2

Prioritisation
The identified ESG issues were ranked and prioritised based on the significance of impacts and degree of influence on our internal and external stakeholders

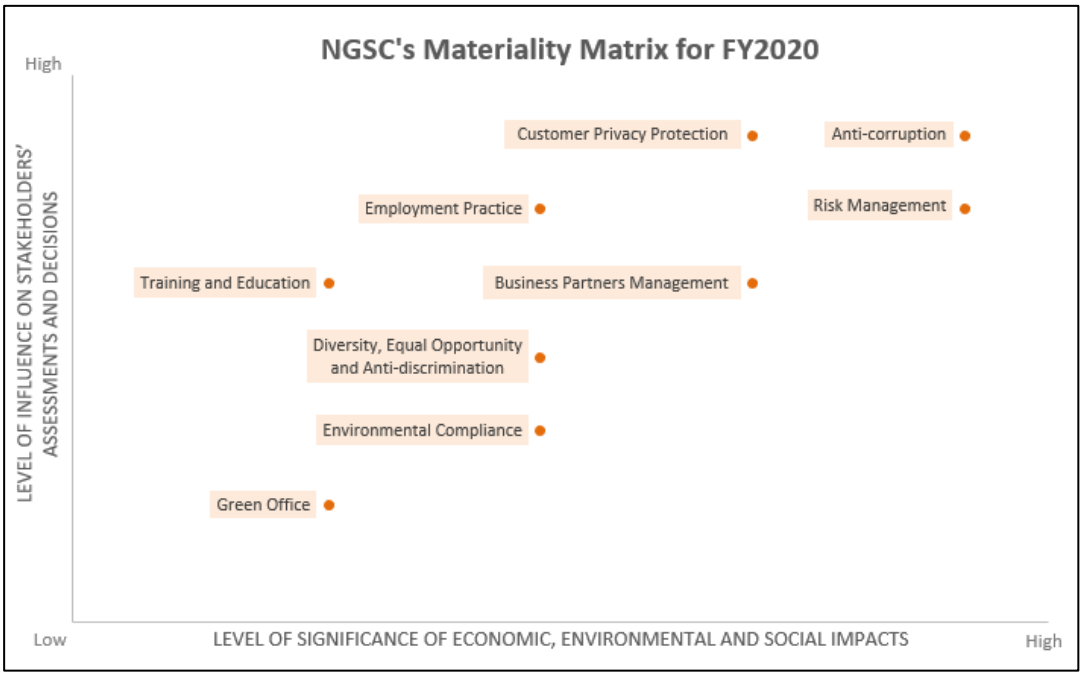
3

Validation
Material issues that were identified in Step 2 were presented to the Board for validation and approval

4

Review
Material issues that were approved by the Board will continue to be re-assessed in subsequent reporting periods to ensure that reported topics remain relevant and material

In FY2020, 9 sustainability-related issues were identified and concerns of the stakeholders had been reviewed and discussed with the management and disclosed in the Report. The materiality matrix of the Group was as follows:



Sustainability Targets

The Group's management reviews and monitors our sustainability progress constantly. On top of that, sustainability-related targets are set and reviewed annually to achieve sustainable development. The table below summarises our sustainability performance in FY2020 and targets for FY2021:

Topics	**FY2020 Target**	**Performance Update**
Anti-corruption	Continue adhering to the Company's policy on **zero** tolerance towards fraud, corruption, and unethical actions.	Non-compliance with laws and regulations related to anti-corruption, bribery, extortion, fraud, and unethical actions was not identified in FY2020.
Training and Education	Increase total training hours per employee and total training investment of $20,000.	The process towards the target is still on-going due to the impact of COVID-19.
Customer Privacy Protection	Uphold highest standards of customer data privacy protection and ensure compliance with the Personal Data Protection Act ("PDPA") and Company's policy.	Non-compliance with the PDPA was not identified in FY2020.
Topics	**Target for FY2021**	
Anti-corruption	**Zero** incidence of fraud, corruption, and unethical actions.	
Risk Management	Conduct Enterprise Risk Management at least once every year.	
Training and Education	Increase or maintain total training hours of employees.	
Customer Privacy Protection	Uphold the highest standards of customer data privacy protection and ensure compliance with the PDPA and Company's policy.	
Supply Chain Management	Ensure **100%** of business partners and service providers engaged comply with ethical laws and regulations.	
Environmental Compliance	**Zero** incidence of non-compliance with relevant environmental laws and regulations.	

Anti-Corruption

The prevention of fraud, money laundering, and the financing of terrorism is of critical importance across all the markets. To demonstrate our zero tolerance towards acts of bribery, corruption, and fraud, we have implemented processes relating to Anti-Money Laundering and Combating the Financing of Terrorism and unilateral and domestic sanctions laws and regulations in jurisdictions in which we operate. As we are committed to conducting business following all applicable regulations and the highest ethical standards, this commitment is embodied in our Code of Conduct. We have communicated the relevant policies and procedures to all our employees. Any employee who contravenes the policies may be subject to disciplinary action up to and including termination of employment. If the breach is significant, it may also lead to the prosecution of the parties involved. To ensure all employees are clear about the acceptable standards and procedures in business dealings, annual compliance training sessions are held for employees.

Whistleblowing Policy

A whistleblowing policy is also in place as a safe channel for employees to discourage practices and activities that are in violation of the work ethics and rules of the Group. Employees and any other parties are encouraged to report unlawful, unethical, or fraudulent activities or practices in strict confidence. All whistle-blowing reports are submitted to the Audit Committee Chairman and other Independent Directors of the Company. The identities of whistle-blowers are strictly kept in confidence to the extent possible to facilitate independent investigations for appropriate remedial and follow-up actions. We believe that this will not only encourage openness and promote transparency but also act as a form of check and balance against the internal controls and risk management practice. The Whistleblowing Policy was intended to act as an internal reporting structure that enables and encourages employees, and external parties, to raise concerns, in confidence, about possible irregularities within the Group.

Conflict of Interest

Employees are required at all times to declare conflicts of interests, whether it is direct or indirect, or whether it is actual or potential. All employees including the management team and the Board are required to make declarations of any existing or potential interest in companies and the nature of the interest on an annual basis, and update when appropriate voluntarily. The Code of Conduct is intended to communicate our values of integrity and respect for people to our employees, management and Directors, help them recognise and make informed decisions on ethical issues, assist in creating a culture of the highest ethical and business standards, and provide mechanisms to report unethical conduct.

Risk Management

Risk management is considered as a strategic activity within NGSC. Our ability to manage risks creates opportunities as well. Corporate-level identification and management of risk are accomplished by using an Enterprise Risk Management approach. The Board of Directors is responsible for overseeing the overall risk management process. The Board has identified, reviewed, and updated the enterprise-risk assessment accordingly in FY2020. Committees of the Board and the Board as a whole participate in the oversight of the process. The Audit Committee ensures there is a risk management process, which is implemented accordingly. Responsibility for managing risk rests with executive management.

Customer Privacy Protection

Safeguarding our shareholders' data is of paramount importance to the Group and we are committed to maintaining the utmost privacy and security of their personal data. We conduct our business in compliance with the requirements of the PDPA, which governs the collection, use, disclosure, and care of personal data.

We have established data protection policies and procedures in compliance with the PDPA and have also appointed key management personnel who are responsible for the following:

- Include aspects of compliance with the PDPA when developing and implementing policies and processes for handling personal data;
- Disseminate data protection policies to all employees through shared drives and cultivate culture on compliance within the Group;
- Manage personal data protection related queries and complaints from the Group's stakeholders;
- Alert management to any risks that might arise concerning personal data; and
- Report any data protection matters to the Personal Data Protection Commission, where necessary.

Our employees are also aware of keeping business-related information confidential. The Group has in place procedures limiting data access rights of our employees commensurating to their scope of work as a measure to manage data privacy risk. These include password authorisation by levels of responsibility for access to sensitive data. Access to data is granted on a need-to basis. In line with the PDPA requirements, we are in the process of formalising the process and appointing a third-party service provider for the proper disposal of physical documents.

In FY2020, there was no substantiated complaints concerning breaches of privacy and loss of customer data. Non-compliance with relevant laws and regulations related to customers' privacy, including but not limited to the PDPA, was not identified. Moving forward, the Group targets to handle customer data responsibly in a secure operating environment as well as ensuring data are not being used for other purposes without adequate authorisation.

Business Partners Management

NGSC works with its subsidiaries in developing a sustainable relationship with business partners for its existing business model. As an investment holding company, we assess factors such as business partners' and service providers' core values, expertise, financial performance, and conformance to government regulations. The Company and its subsidiaries work closely to ensure our business partners and service providers have met requirements in regard to quality as well as environmental and social standards.

We have standards and stringent procedures in place to identify, monitor, and manage risks and opportunities when selecting business partners and service providers. We review and evaluate all business partners and service providers prior to selection and regularly monitor and assess them during operation. Business partners and service providers are subjected to annual performance evaluations and may be suspended or removed from the approved list if they fail to fulfill our standards. The termination of relationship may also occur in the event any of them commits any substantial violation of related laws and regulations.

Employment and Labour Practice

Human Resource Management

Employees are the foundation for supporting the development of NGSC. We are of the firm belief that all employees should be provided with a working environment that enables them to be productive and work to the best of their abilities. Hence, the Group has established relevant policies to fulfil its vision on people-oriented management. The human resources managing procedures are formally documented as an Employee Handbook, covering the aspects of recruitment, compensation, promotion, working hours and rest periods, diversity and equal opportunity, etc. The Employee Handbook does not only serve to standardise employment practices, it also respects and safeguards the legitimate interests of every employee, endeavouring to protect employees' occupational health and safety.

The Group understands that good benefits and welfare encourages retention and fosters a sense of belonging. We offer attractive remuneration packages, including discretionary bonuses, allowances, overtime, and medical claims. In addition to the entitlement of leaves

stipulated by relevant laws and regulations, the Group provides a variety of leaves to cater to the needs of its employees, including but not limited to emergency leave, marriage leave, compassionate leave, and parental leave. In FY2020, 1 employee had taken parental leave and had returned to work after the leave ended.

Training and Education

We believe in encouraging the development of our employees and grooming them to their fullest potential, personally and professionally. Hence, we are committed to learning and development programmes to drive productivity and develop the personal effectiveness of our employees. As part of the Company's initiatives, our employees select and manage a curriculum that is aligned with their core role responsibilities and personal development interests.

In FY2020, our employees have completed a total of 24 hours of training, including training on the International Financial Reporting Standards provided by the Institute of Singapore Chartered Accountants.

In FY2020, 75% of our employees received an Annual Performance Review and had a performance rating in the system. Employees were encouraged to reflect on their performance over the financial year. During the employee appraisals, we recognise every employee for their valuable contributions at work, identify areas of improvement, and have set achievable targets for the next review period.

Diversity, Equal Opportunity and Anti-discrimination

The Group recognises the value of a diverse and skilled workforce and is dedicated to providing equal opportunities in all aspects of employment. Employees face no discrimination regardless of race, religion, colour, gender, physical or mental disability, age, place of origin, marital status, and sexual orientation and thus allowing them to be treated fairly in every aspect including recruitment, salary, training, and promotion. With the aim of ensuring fair and equal protection for all employees, the Group emphatically states its zero tolerance stance on discrimination in the workplace of any form.

The Group strives to ensure that complaints, grievances, and concerns, including whistle-blowing, are dealt with promptly and confidentially. Employees can raise concerns and report incidents without fear of reprisals. Anyone found to be engaging in any type of unlawful discrimination will be subject to disciplinary action, up to and including termination of employment.

There were no incidents of discrimination during FY2020, and the Group aims to maintain this record for the forthcoming year. As at 31 March 2020, the Group had a total of 4 employees (including one executive director), 2 of whom were male senior management personnel aged between 30 to 50, while another 2 were female general staff aged under 30.

Environmental Protection

As an investment holding company which operates in an office setting, the environmental impact of business operation is minimal. Nevertheless, the Group is committed to building an environmentally friendly corporate image and strives to reduce our environmental impact including the consumption of electricity and paper by integrating various green practices into our daily operations.

Building a Green Office

The Group's energy consumption is limited to the electricity used in our offices. We have implemented energy control policy and adopted various energy-saving measures, such as using energy-saving equipment and setting all printers, copiers, and computers to the energy-saving mode where possible. To raise the awareness of energy conservation, the Group encourages employees to establish energy-saving habits at the office, such as switching off lights and electronic appliances before leaving the office.

In FY2020, the electricity consumption of the Group's major operation, which is the office located in Singapore, was approximately 1,287 kWh. The intensity of electricity consumption was approximately 321.75 kWh per employee. For information on the Group's workforce, please refer to the section headed "Diversity, Equal Opportunity and Anti-discrimination".

Due to its business nature, the Group does not generate any hazardous wastes during operation. The major type of wastes generated by our operation is office paper, for which the Group has taken various measures to minimise the impact and promote the "paperless office" concept. In particular, we facilitate the use of electronic means for communication. We also encourage duplex printing and single-side printed papers reusing by setting up collection boxes near the printers. In addition, we encourage employees to reduce the use of one-off products and collect recyclable products, such as plastic and aluminum, to mitigate the disposal of general wastes. In FY2020, the Group's office located in Singapore had disposed of approximately 31.19 kg of office paper.

Environmental Compliance
During FY2020, no incident of non-compliance with relevant environmental laws and regulations was identified.

GRI Standards Content Index

GRI Indicator	Description	Page Reference and Reasons for Omission, if applicable
GRI 102: General Disclosures		
102-1	Name of the organization	Sustainability Report ("SR"): Page 1
102-2	Activities, brands, products, and services	SR: Page 3
102-3	Location of headquarters	SR: Page 3
102-4	Location of operations	SR: Page 3
102-5	Ownership and legal form	SR: Page 4
102-6	Markets served	Annual Report ("AR"): Page 51 and 95
102-7	Scale of the organization	SR: Page 3 AR: Page 45-46
102-8	Information on employees and other workers	SR: Page 12-13
102-9	Supply chain	SR: Page 12
102-10	Significant changes to the organization and its supply chain	There were no significant changes to the organisation's size, structure, ownership, or supply chain in FY2020.
102-11	Precautionary principle or approach	SR: Page 11
102-12	External initiatives	No participation in external initiatives.
102-13	Membership of associations	SR: Page 4
102-14	Statement from senior decision-maker	SR: Page 1
102-16	Values, principles, standards, and norms of behavior	SR: Page 4
102-18	Governance structure	SR: Page 5-6 AR: Page 3-27
102-40	List of stakeholder groups	SR: Page 6-7
102-41	Collective bargaining agreements	The management has not adopted any collective bargaining agreement.
102-42	Identifying and selecting stakeholder	SR: Page 6-7

102-43	Approach to stakeholder engagement	SR: Page 6-7
102-44	Key topics and concerns raised	SR: Page 8
102-45	Entities included in the consolidated financial statements	SR: Page 4 AR: Page 45-50
102-46	Defining report content and topic boundaries	SR: Page 2-3
102-47	List of material topics	SR: Page 7-8
102-48	Restatements of information	There was no restatement of information.
102-49	Changes in reporting	There were no changes in reporting.
102-50	Reporting period	SR: Page 2-3
102-51	Date of most recent report	19 September 2019
102-52	Reporting cycle	Annually
102-53	Contact point for questions regarding the report	SR: Page 3
102-55	GRI content index	SR: Page 15-17
102-56	External assurance	This report was not externally assured.
GRI 103: Management Approach		
103-1	Explanation of the material topic and its Boundary	SR: Page 9-14
103-2	The management approach and its components	SR: Page 9-14
103-3	Evaluation of the management approach	SR: Page 9-14
GRI 205: Anti-corruption		
205-1	Operations assessed for risks related to corruption	SR: Page 9-11
205-2	Communication and training about anti-corruption policies and procedures	SR: Page 9-11
205-3	Confirmed incidents of corruption and actions taken	SR: Page 9-11
GRI 302: Energy		
302-1	Energy consumption within the organization	SR: Page 14
302-3	Energy intensity	SR: Page 14
GRI 306: Effluents and Waste		
306-2	Waste by type and disposal method	SR: Page 14
GRI 307: Environmental Compliance		
307-1	Non-compliance with environmental laws and regulations	SR: Page 15
GRI 401: Employment		
401-2	Benefits provided to full time employees that are not provided to temporary or part-time employees	SR: Page 12-13

401-3	Parental leave	SR: Page 12-13
GRI 404: Training and Education		
404-1	Average hours of training per year per employee	SR: Page 13
404-2	Programs for upgrading employee skills and transition assistance programs	SR: Page 13
404-3	Percentage of employees receiving regular performance and career development reviews	SR: Page 13
GRI 405: Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	SR: Page 13-14
GRI 406: Non-discrimination		
406-1	Incidents of discrimination and corrective actions taken	SR: Page 13-14
GRI 418: Customer Privacy		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	SR: Page 11-12

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