NGSC LIMITED

Sustainability Report 2018

Incorporated in Republic of Singapore
Company Registration No. 196400100R

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Board's Message

The Board of Directors (the "Board") of NGSC Limited ("NGSC"), and together with its subsidiaries, collectively, the "Company") are committed to sustainable growth and development, both locally and internationally.

2018 was a significant year in the re-modelling of our business, with a key shift in operational activities, from offering satellite-based telecommunication services to being an investment holding company. Being a previously notable satellite-based telecommunication service provider for remote areas of Asia, we have driven economic development and improving livelihoods through enhancing the public infrastructure. Our Company is constantly on the look-out for investment opportunities in ASEAN's emerging markets.

The Board has identified many trends and material topics that our stakeholders may be concerned through stakeholder engagement and materiality assessment. We deemed such concerns as important opportunities to strengthen our risk management practices and potentially drive and influence sustainability initiatives along with long-term growth for the Company. In that regard, the Board has included reviewing sustainability issues as part of its corporate strategy on an ongoing basis. The Board continues to provide oversight on investment opportunities.

Moving forward, we will continue to monitor our sustainability initiatives and ESG-related risk assessment. We are considering a range of new initiatives locally and globally to drive collaboration and solve business challenges. We are heartened by internal efforts in instilling a corporate culture in sustainability practices which we believe are impactful.

On behalf of the Board of NGSC, we would look forward to your continued engagement, partnership and support.

Yours sincerely

Dr. Michael Kuan-Chi Sun
Executive Director

About This Report

This is the first Sustainability Report (SR2018) by NGSC. The report focuses on the evaluation of NGSC's business performance in terms of environmental, social and governance (ESG) aspects. In preparing this report, we have considered material sustainability issues and strategies with potential impact on our business growth and more importantly, what we believe are of significant importance to stakeholders.

This is an inaugural report prepared by NGSC in adherence to the rules of 711A and 711B of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") – Sustainability Reporting Guide (the "SGX-Sustainability Reporting Guide"). We have taken reference to the Global Reporting Initiative ("GRI") Standards 2016: Core Option, which is a well-known and globally recognised sustainability reporting framework and its reporting principles. 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.

Unless stated otherwise, this report focuses on the period from 1 April 2017 to 31 March 2018 for our operations in Singapore, People's Republic of China ("PRC") and Indonesia. We have not sought external assurance for this report and we may consider doing so in future annual sustainability reports.

We will only print limited copies of this sustainability report as and when it is required. Currently, electronic editions can be downloaded from the Company's website or from SGX.

For any suggestions, comments and enquiry related to this report, kindly contact our principal place of business at (+65) 6479 3866. Our principal place of business is located at 96 Robinson Road, #12-04 SIF Building, Singapore 068899.

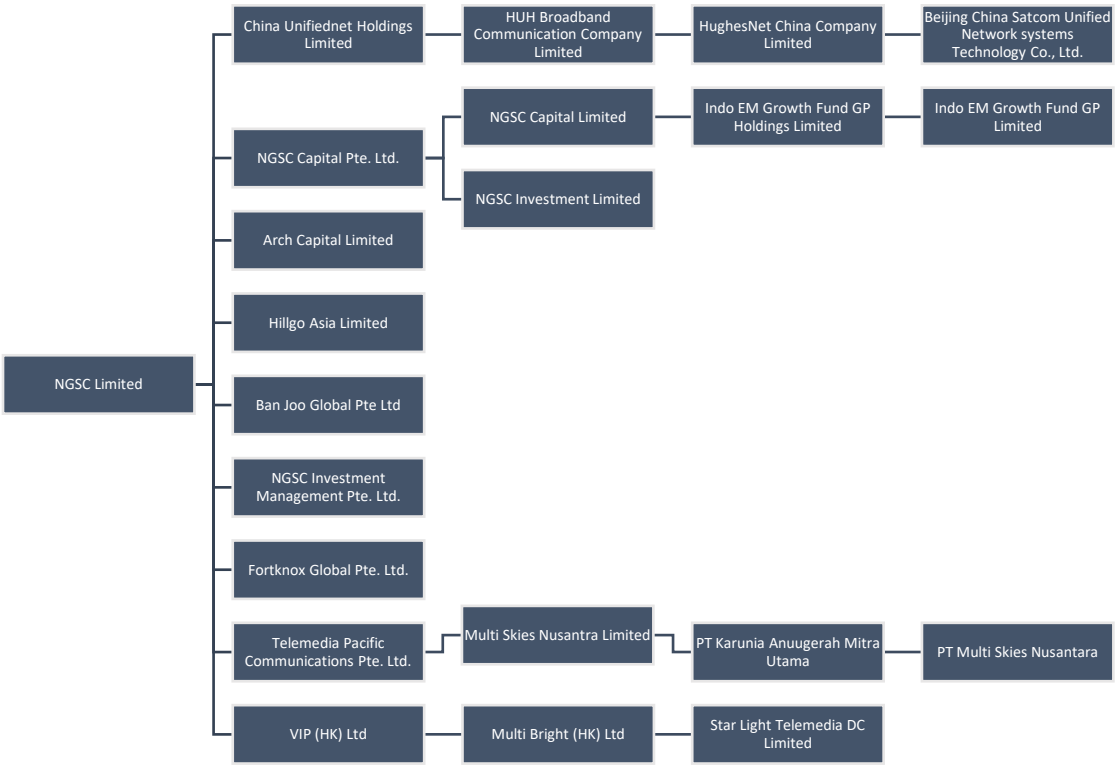
Company Information

NGSC is an investment holding company with the aim to mature into an institutional investment platform for growth opportunities in Asia and emerging markets. The Company used to provide satellite-based telecommunications services to various industries including education and financial institutions in PRC and Indonesia.

The Company's core businesses include: (1) sale of satellite communications equipment and provision of satellite-based communication services, (2) building, operating and lease of based station controllers for universal service obligations (USO) sites to enable telecommunication services in remote areas of PRC and Indonesia, and: (3) holders of convertible notes to derive interest income.

NGSC's headquarters is located in Singapore and made its entry into China and Indonesia through acquisition of subsidiaries, China Unifiednet Holdings Limited (CUH) and Multi Skies Nusantra Limited respectively.

Corporate Structure



NGSC streamlines the management of our assets and investments in new business opportunities in the development of internet and satellite communication system technology and trading in satellite communication system devices.

Vision and Mission

NGSC will continue to seek suitable investment opportunities in the region. We may aim to move into the management of investment platforms that invest in a wider perspectives of growth opportunities in the Asia and its emerging markets within the region.

Corporate Values



Professionalism

We uphold high quality ethical standards and remain competent



Commitment

We commit to support the interest of stakeholders



Integrity

We maintain a sense of integrity, honesty and discipline



Conviction

We provide innovative solutions to societies

Supply Chain Management

NGSC engages its business partners and subsidiaries in developing a sustainable supply chain for our existing business model. We assess factors such as, including but not limited to, their core values, expertise, financial performance and conformance to the government regulations. As an investment holding company, we work closely with our global subsidiaries in the field of trading financial derivatives as well as sharing responsibilities and risks. Therefore, it is a sustainability measure to identify, monitor and manage risks and opportunities in our supply chain. We also ensure that all Directors and Executive Officers are independent and are not in financial contract with potential investment companies.

Geographical Expansion and Growth

NGSC has expanded its footprint into different countries in the Asia region. We have installed satellite access points and supplied satellite broadband services to various institutions in the provinces. We have also provided telephony services to schools, local city centres and households to rural area nation-wide in Indonesia.

NGSC performed trading of derivatives through its subsidiaries to countries such as Hong Kong, Cayman Islands and British Virgin Islands.

Governance Structure

Board of Directors

- Mr Andrew Coulton (Non-Executive Non Independent Chairman)
- Dr Michael Kuan-Chi Sun (Executive Director)
- Mdm Sri Tjintawati Hartanto (Non-Executive Non-Independent Director)
- Mr Lai Chik Fan (Non-Executive Non-Independent Director)
- Mr Lye Meng Yiau (Non-Executive Non-Independent Director)
- Mr Ku Vicente S. (Non-Executive Non-Independent Director)
- Mr Edward Fu Shu Sheen (Lead Independent Director)
- Mr Ng Hsian Pin (Independent Director)
- Mr Li Man Wai (Independent Director)
- Mdm Cheung Kam Wa (Independent Director)

Audit Committee

- Mr Ng Hsian Pin (Chairman)
- Mr Li Man Wai
- Mr Edward Fu Shu Sheen

Nomination Commitee

- Mr Ng Hsian Pin (Chairman)
- Mr Edward Fu Shu Sheen
- Mr Lye Meng Yiau

Remuneration Committee

- Mr Edward Fu Shu Sheen (Chairman)
- Mr Ng Hsian Pin
- Mdm Sri Tjintawati Hartanto

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

In NGSC, key management personnel are responsible for managing and monitoring our sustainability practices and the Board is updated on any material developments. There are frequent discussions on key issues in sustainability such as overall implementation, stakeholder engagement, materiality topics, strategic planning, goal setting and implementation performance.

Our Sustainability Approach

Stakeholder's Engagement

We have regular reviews, assessments and 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.

Considering that specific stakeholders and material issues are specific in countries and locations, we are reporting the stakeholder engagement and material issue principally for our investment holdings in the report. Refer to *Table 1: Our Approach on Stakeholder's Engagement.*

Table 1: Our Approach on Stakeholder's Engagement

Stakeholders	Mode of Engagement	Stakeholder's Expectations
Employees	• Interviews and orientation programs • Staff appraisals • Training and development programs	• Staff rights • Safety and wellness • Environmental responsibility
Shareholders	• Annual general meeting • Annual reports • Conference and circulars to shareholders	• Profitability transparency • Timely reporting
Business partners	• Regular meetings and discussions	• Partnership for opportunities and growth
Government and regulators	• Discussions with agents and regulators • Collaboration on community investment projects	• Environmental-friendly business approach • Compliance with regulations

Identifying Material Sustainability Topics

NGSC regularly engages our external and internal stakeholders to determine our material focus areas. We understand their concerns and undertook a comprehensive materiality assessment following best practice outlined by the international reporting standards, the Global Reporting Initiative (GRI).

From the output subsequent to engaging our key stakeholders, we have prioritised four sustainability topics which we believe are the key levers for sustainable business success on which we will continue to focus in the future. For future sustainability reporting, we will re-evaluate and review our material ESG topics with our stakeholders to ensure their relevance to us and in compliance with GRI.

For more details of the sustainability topics, refer to *Table 2: List of sustainability topics*

Table 2: List of sustainability topics

S/N	GRI Standards	Topics	Description	Reference	Commitments & Targets
1	GRI 200: Economic	Anti-corruption	Our practices to comply with anti-corruption law and regulations and to demonstrate our adherence to integrity, governance, and responsible business practices	Sustainability Report 2018 Page 8	Continue adhering to Company's zero tolerance policy towards fraud, corruption and unethical actions.
2	GRI 404: Social	Training and Education	Our approach ensuring all employees are trained and enhanced their skillsets. Performance and career development reviews to assess their employability	Sustainability Report 2018 Page 9	Increase total training hours per employee and total training investment of $20,000.
3	GRI 418: Social	Customer Privacy	Our approach ensuring security and confidentiality of our database and customer information	Sustainability Report 2018 Page 10	Uphold highest standards of customer data privacy protection and ensure compliance to Company's PDPA policy.

Materiality Sustainability Topics

Economic

Anti-corruption



Being a Responsible Business

NGSC does not tolerate any ethical and legal violations including corruption and we are committed to upholding high standards of business conduct to safeguard the interests of our stakeholders. We have put in place an Employee Code of Conduct and Ethics (Code) as well as Business Partner and Vendor Relationships (HR and Corporate Policies) that set out the standards of behaviour and procedures for employees when dealing with business partners and other stakeholders. All policies are accessible to all employees on our shared drive and are periodically updated when amendments made. Employees are also required to disclose personal relationships and business activities with NGSC's business partners and suppliers, and with personnel employed by them.

A whistleblowing policy has been formalized and put in place with the aim to encourage responsible and secure reporting of suspected unethical, illegal, irregular of inappropriate conduct or activities in good faith, by ensuring whistle-blowers will be treated fairly and accorded with due protection against any reprisals. We have a reporting channel including a dedicated whistleblowing email and a discreet channel to the Audit Committee Chairman (via email).

Any instances of corruption and bribery are strictly prohibited in the Company and disciplinary actions (including dismissal) will be taken.

Materiality Sustainability Topics

Social

Training and Education

We have initiatives in place which allow our employees to have access to ongoing learning opportunities to build functional and technical skills to succeed in their jobs. Management engages staff to perform effectively and be responsible on their learning journey in NGSC.

We attract, develop and retain employees through a combination of on-the-job learning, formal training, feedback and mentoring.

Employees of NGSC received regular performance and career development reviews in 2018 as part of our performance management system. Managers are equipped with relevant skills to conduct effective performance and career development discussions with their teams.

In order to support our employees' career development efforts, we target to invest $20,000 on training in 2019 and provide training expenditure per employee at $3,000. We will continue to organise more training programs related to their functional expertise.

Materiality Sustainability Topics

Social

Customer Privacy

Keeping our clients' data secure in our infrastructure as well as supporting our clients to keep their own data secured is an important responsibility for us. We are an advocate of keeping clients' data private and we ensure all employees comply with Singapore Personal Data Protection Act ("PDPA") and apply our in-house Data Protection Policy in the course of their daily work. This includes, and not limited to, business partners, suppliers and service providers.

We have implemented a mandatory online privacy training for our employees in Singapore which was conducted annually. It involved the handling of personal data, with recommendations addressing the risks.

Moving forward, we will introduce Data Protection Assessment and issue comprehensive guidelines to help all employees comply with PDPA in Singapore. The guidelines cover the various aspects of collecting, disclosing and disposing of personal data.



GRI Index

GRI Standard/ Disclosure	Page Reference and Reasons for Omission, if applicable
General Disclosures	
Organisational profile	
102-1 Name of the organisation	1
102-2 Activities, brands, products, and services	3
102-3 Location of headquarters	3
102-4 Location of operations	3
102-5 Ownership and legal form	3
102-6 Markets served	3
102-7 Scale of the organisation	3
102-8 Information on employees and other workers	3
102-9 Supply chain	4
102-10 Significant changes to the organisation and its supply chain	N/A
102-11 Precautionary principle or approach	3
102-12 External initiatives	5
102-13 Membership of associations	5
Strategy	
102-14 Statement from senior decision maker	1
Ethics and integrity	
102-16 Values, principles, standards, and norms of behaviour	4
Governance	
102-18 Governance structure	5
Stakeholder engagement	
102-40 List of stakeholder groups	6
102-41 Collective bargaining agreements	N/A
102-42 Identifying and selecting stakeholders	6
102-43 Approach to stakeholder engagement	7
102-44 Key topics and concerns raised	7
Reporting practice	
102-45 Entities included in the consolidated financial statements	Annual Report 2018
102-46 Defining report content and topic boundaries	2
102-47 List of material topics	8 and 9
102-48 Restatements of information	Not applicable as it is our first SR
102-49 Changes in reporting	Not applicable as it is our first SR
102-50 Reporting period	2
102-51 Date of most recent report	Not applicable as it is our first SR
102-52 Reporting cycle	2
102-53 Contact point for questions regarding the report	2
102-54 Claims of reporting in accordance with the GRI Standards	2

GRI Standard/ Disclosure	Page Reference and Reasons for Omission, if applicable
102-55 GRI content index	11 and 12
102-56 External assurance	2
Material Topics	
GRI 205: Anti-corruption	
103-1 Explanation of the material topics and its Boundary	8
103-2 The management approach and its components	8
103-3 Evaluation of the management approach	8
205-1 Operations assess for risks related to corruption	8
205-2 Communication and training about anti-corruption policies and procedures	8
GRI 404: Training and Education	
404-1 Average hours of training per year per employee	9
404-2 Programs for upgrading employee skills and transition assistance programs	9
404-3 Percentage of employees receiving regular performance career development reviews	9
GRI 418: Customer Privacy	
418-1 Substantiated complaints concerning breaches of customer privacy and loss of customer data	10