

CIRCULAR DATED 3 NOVEMBER 2021

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt in relation to the contents of this Circular or as to the action you should take, you should consult your stockbroker, bank manager, accountant, solicitor, tax advisor or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of NGSC Limited (the “**Company**”), you should immediately forward this Circular together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form (all as defined herein) to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. This Circular was prepared by the Company with assistance from Latham & Watkins LLP. Latham & Watkins LLP has not independently verified the contents of this Circular.

The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular. The approval of the SGX-ST shall not be taken as an indication of the merits of the Selective Capital Reduction the Directors’ Fees Payment (each as defined in this Circular), the Company and/or its subsidiaries.

NGSC LIMITED

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

CIRCULAR TO SHAREHOLDERS

in relation to

**(1) THE PROPOSED SELECTIVE CAPITAL REDUCTION PURSUANT TO THE COMPANIES ACT,
CHAPTER 50 OF SINGAPORE AND DELISTING FROM THE SGX-ST; AND**

(2) APPROVAL FOR PAYMENT OF DIRECTORS FEES FOR FY2016 IN CASH

***Independent Financial Adviser to the Independent Directors in respect of the
Proposed Selective Capital Reduction***



PROVENANCECAPITAL

PROVENANCE CAPITAL PTE. LTD.

(Company Registration No. 200309056E)
(Incorporated in the Republic of Singapore)

IMPORTANT DATES AND TIMES

Due to the current COVID-19 situation in Singapore, shareholders will not be allowed to attend the Extraordinary General Meeting (“**EGM**”) in person. The EGM will be convened and held by electronic means. Shareholders must appoint the Chairman of the EGM as their proxy to attend, speak and vote on their behalf at the EGM.

Last date and time for lodgement of Proxy Form : 23 November 2021 at 10.00 a.m.

Date and time of Extraordinary General Meeting : 25 November 2021 at 10.00 a.m.

Place of Extraordinary General Meeting : The EGM will be held by electronic means

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PROXY FORM

DEFINITIONS

In this Circular, the following definitions apply throughout unless otherwise stated:

“3M Start Date”	:	11 April 2021, being the date falling three months prior to the Announcement Date
“6M Start Date”	:	The date six months prior to the Announcement Date
“AGM”	:	Annual general meeting
“Announcement”	:	The announcement of the Selective Capital Reduction published by the Company on its website (https://www.ngscinvestment.com/investor-relations.html) on the Announcement Date
“Announcement Date”	:	11 July 2021, being the date of the Announcement
“Board”	:	The board of Directors
“Business Days”	:	Means a day other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore
“Cash Distribution”	:	The aggregate sum of approximately S\$7,360,390.18 ¹ in cash available to be returned to the Participating Shareholders pursuant to the Selective Capital Reduction, as detailed in paragraph 2.4 of the Letter
“CDP”	:	The Central Depository (Pte) Limited
“CGU”	:	Cash-generating unit
“Code”	:	The Singapore Code on Take-overs and Mergers
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore
“Company” or “NGSC”	:	NGSC Limited
“Controlling Shareholders”	:	TPG and Mr. Hady Hartanto
“Council”	:	The Securities Industry Council
“Court”	:	The High Court of the Republic of Singapore
“Court Order”	:	An order of the Court approving the Selective Capital Reduction
“CUH”	:	China UnifiedNet Holdings Limited
“DBS”	:	DBS Bank Ltd.
“Delisting”	:	Delisting of the Company from the SGX-ST
“Delisting Notification”	:	The delisting notification issued by the SGX-ST to the Company on 3 December 2019

¹ A sum of S\$596,440.34 payable in respect of the Settlement Shares shall not be distributed to the Relevant Participating Shareholders and shall be retained by the Company. Please see paragraph 2.11.3 of the Letter for more information.

DEFINITIONS

“Demand”	:	The demand letter received by CUH from HCH on 26 January 2021
“Directors”	:	The directors of the Company as at the date of this Circular
“Directors’ Fees Payment”	:	Has the meaning given to it in paragraph 3 of the Letter
“Effective Date”	:	The date on which the Selective Capital Reduction shall take effect
“EGM”	:	The extraordinary general meeting of the Company, notice of which is given on page I-1 of this Circular
“EPS”	:	Earnings per share
“Financial Adviser”	:	Crowe Horwath Capital Pte. Ltd.
“FY”	:	The financial year ended 31 March of the relevant year
“FY2013”	:	The financial year ended 31 March 2013
“FY2016”	:	The financial year ended 31 March 2016
“FY2016 AGM”	:	The AGM held on 12 May 2017
“FY2016 Directors’ Fees”	:	Means the S\$158,141 of directors’ fees for FY2016 proposed to be paid by the Company to the relevant persons, as more particularly described in paragraph 3 of the Letter
“FY2016 Notice of AGM”	:	The Company’s Notice of AGM dated 27 April 2017 as set out in Part 1 of Appendix I to this Circular
“FY2017”	:	The financial year ended 31 March 2017
“FY2017 AGM”	:	The AGM held on 4 December 2017
“FY2017 Notice of AGM”	:	The Company’s Notice of AGM dated 11 November 2017 as set out in Part 2 of Appendix I to this Circular
“FY2019”	:	The financial year ended 31 March 2019
“FY2020”	:	The financial year ended 31 March 2020
“FY2021”	:	The financial year ended 31 March 2021
“FY2021 Results”	:	The Group’s audited financial statements for FY2021, as contained in the Annual Report 2021 announced by the Company on SGXNET on 14 August 2021
“FY2022”	:	The financial year ended 31 March 2022
“Group”	:	The Company and its subsidiaries as at the date of this Circular, and “Group Company” shall mean any one of such companies

DEFINITIONS

“HCH”	:	HCH Group Company Limited
“HUH”	:	HUH Broadband Communication Company Limited
“IFA”	:	Provenance Capital Pte. Ltd.
“IFA Letter”	:	Letter dated 3 November 2021 from the IFA addressed to the Independent Directors in respect of the Selective Capital Reduction as set out in Appendix A to this Circular
“Independent Directors”	:	The Directors who are considered independent for the purposes of the Selective Capital Reduction, being Dr Michael Kuan-Chi Sun, Mr Lee Chia Sin and Mr Mahtani Bhagwandas and Mdm. Wang Xiaozheng
“Latest Practicable Date”	:	The latest practicable date prior to the printing of this Circular, being 27 October 2021
“Letter”	:	The letter to Shareholders as set out in this Circular
“Listing Manual”	:	The Listing Manual of the SGX-ST
“MC Payment”	:	MC Payment Limited
“NAV”	:	Net asset value
“Notice”	:	The notice of compliance dated 18 May 2021 issued by the SGX-ST
“NTA”	:	Net tangible asset
“Participating Shareholders”	:	Shareholders other than the Controlling Shareholders
“Participating Share(s)”	:	Means the 4,748,638,828 Shares held by the Participating Shareholders to be cancelled pursuant to the Selective Capital Reduction (which include the Settlement Shares), as detailed in paragraph 2.2 of the Letter
“Participating Share Price”	:	The consideration of S\$0.00155 in cash per Participating Share
“Potential Tax Liabilities”	:	The estimated potential tax liabilities that may be incurred by the Group on the hypothetical disposal of its assets on an “as is” basis
“Record Date”	:	The date, to be determined by the Directors and announced by the Company, on which the transfer books of the Company and the Register of Members will be closed in order to determine the entitlements of Participating Shareholders to the Cash Distribution pursuant to the Selective Capital Reduction
“Registrar”	:	The Registrar of Companies of Singapore
“Relevant Participating Shareholders”	:	Ban Joo Investment (Pte) Ltd and Chin Pang Joo@Ivan Lam Pang Joo

DEFINITIONS

“Relevant Securities”	:	Means:
		(i) Shares;
		(ii) securities which carry voting rights in the Company; or
		(iii) convertible securities, warrants, options or derivatives in respect of any Shares or securities which carry voting rights in the Company
“Securities Account”	:	Securities accounts maintained by Depositors with CDP, but not including securities sub-accounts
“Selective Capital Reduction” or “Proposed Selective Capital Reduction”	:	The proposed selective capital reduction of the Company pursuant to Section 78G of the Companies Act, as detailed in paragraph 2.2 of the Letter
“Settlement Deed”	:	Means the deed of settlement dated 17 February 2017 between the Company and the Relevant Participating Shareholders, as more particularly described in paragraph 2.11.3 of the Letter
“Settlement Shares”	:	384,800,220 Shares which are under the names of the Relevant Participating Shareholders (or on their behalf by a nominee)
“Settlement Shares Cash Distribution Amount”	:	The amount of S\$596,440.34 (based on the Participating Share Price) which would be payable to the Relevant Participating Shareholders on the Settlement Shares, as detailed in paragraph 2.11.3 of the Letter
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shares”	:	The shares of the Company
“Shareholders”	:	Registered holders of Shares, except that where the registered holder is CDP, the term “Shareholders” shall, where the context admits, mean the Depositors whose Securities Accounts are credited with Shares
“Shareholders’ Loan”	:	The proportionate shareholders’ loan of US\$1.76 million
“Shares”	:	Ordinary shares in the capital of the Company
“S\$” or “Singapore Dollar”	:	The lawful currency for the time being of the Republic of Singapore
“Target Group”	:	HUH together with HUH’s two wholly-owned subsidiaries, HNC Company Limited and Beijing China Satcom Unified Network Systems Technology Co., Ltd.
“TPG”	:	Telemedia Pacific Group Limited
“TPG FY2018”	:	TPG’s financial year ended 31 December 2018
“TPG FY2019”	:	TPG’s financial year ended 31 December 2019

DEFINITIONS

“TPG FY2020”	:	TPG’s financial year ended 31 December 2020
“TPG’s Securities”	:	(i) Shares in the capital of TPG; (ii) securities which carry voting rights in TPG; or (iii) convertible securities, warrants, options or derivatives in respect of any shares in the capital of TPG or securities which carry voting rights in TPG
“Valuation Report”	:	The valuation report prepared by the Valuer in respect of the investment in the Target Group as at 31 March 2021, which is set out in Appendix G to this Circular
“Valuer”	:	AVA Associates Limited, an independent professional valuer who prepared the Valuation Report
“VIU”	:	Value in use
“Watch-list”	:	The SGX-ST watch-list
“%” or “per cent.”	:	Per centum or percentage

Unless the context otherwise requires:

- (i) the term “**acting in concert**” shall have the meaning ascribed to it in the Code;
- (ii) the terms “**depositor**”, “**depository register**” and “**depository agent**” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act and the terms “**subsidiary**”, “**related company**” and “**substantial shareholder**” shall have the meanings ascribed to them in Sections 5, 6 and 81 of the Companies Act respectively;
- (iii) the terms “**associate**” and “**associated company**” shall have the meanings ascribed to them in the Section entitled “Definitions and Interpretation” of the Listing Manual;
- (iv) words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. Unless the context otherwise requires, any references to persons shall include individuals, corporate bodies (wherever incorporated), unincorporated associations and partnerships;
- (v) any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Securities and Futures Act, the Listing Manual, the Code or any modification thereof and not otherwise defined in this Circular shall, where applicable, have the same meaning assigned to it under the Companies Act, the Securities and Futures Act, the Listing Manual, the Code or any modification thereof, as the case may be, unless the context otherwise requires;
- (vi) any reference to a time of day in this Circular is made by reference to Singapore time unless otherwise stated;
- (vii) any discrepancies between the figures listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them; and
- (viii) the headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements contained in this Circular, statements made in press releases and oral statements that may be made by the Company, the Group, their directors, executive officers or employees acting on their behalf, that are not statements of historical fact, constitute “forward looking statements”. Some of these statements can be identified by words that have a bias towards, or are, forward-looking such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “forecast”, “if”, “intend”, “may”, “plan”, “possible”, “probable”, “project”, “should”, “will” and “would” or similar words. However, Shareholders should note that these words are not the exclusive means of identifying forward looking statements. All statements regarding the Company’s and the Group’s expected financial position, business strategies, plans and prospects are forward looking statements.

These forward looking statements and other matters discussed in this Circular regarding matters that are not historical fact are only predictions. These forward looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company’s and the Group’s actual future results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward looking statements.

Given the risks and uncertainties that may cause the Company’s and the Group’s actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward looking statements in this Circular, undue reliance must not be placed on these statements.

The Company, the Group, their respective directors and executive officers are not representing or warranting to you that the actual future results, performance or achievements of the Company and the Group will be as those discussed in those statements. The respective actual future results may differ materially from those anticipated in these forward looking statements as a result of the risks faced by us. Further, the Company and the Group disclaim any responsibility for updating any of those forward looking statements or publicly announcing any revisions to those forward looking statements to reflect their future developments, events or circumstances.

INDICATIVE TIMETABLE

The following are the indicative dates and times for the Selective Capital Reduction:

Last Date and Time for lodgement of Proxy Forms	23 November 2021 at 10.00 a.m.
Date and Time of EGM	25 November 2021 at 10.00 a.m.
Submission of the application to the Court to approve the Selective Capital Reduction ⁽¹⁾	By approximately 8 days after the passing of the special resolution at the EGM
Expected Effective Date of the Selective Capital Reduction ⁽¹⁾	On or about January 2022
Expected date of payment of the Cash Distribution ⁽¹⁾	Within 7 business days after the Effective Date
Expected date of Delisting ⁽¹⁾	On or about January 2022

Note:

- (1) The above dates are indicative only and are subject to change. Changes to the above expected dates, as well as the definitive dates, will be announced in due course by way of SGXNET announcements released on the website of the SGX-ST.

LETTER TO SHAREHOLDERS

NGSC LIMITED

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

Directors

Dr. Michael Kuan-Chi Sun
Mdm. Sri Tjintawati Hartanto
Mdm. Wang Xiaozheng
Mr. Lee Chia Sin
Mr. Mahtani Bhagwandas

Registered Office

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3 November 2021

To: The Shareholders of NGSC Limited

Dear Sir/Madam

(I) THE PROPOSED SELECTIVE CAPITAL REDUCTION AND DELISTING; AND

(II) THE PROPOSED DIRECTORS' FEES PAYMENT

1. INTRODUCTION

1.1 Purpose

The Board wishes to convene the EGM for the following:

- (i) (Special Resolution) the Proposed Selective Capital Reduction; and
- (ii) (Ordinary Resolution) the Directors' Fees Payment.

The purpose of this Circular is to provide Shareholders with relevant information relating to the Selective Capital Reduction and the Directors' Fees Payment. This Circular also sets out the advice of the IFA, and the recommendation of the Independent Directors, with regard to the Selective Capital Reduction.

The Company intends for Shareholders to vote on the Special Resolution for the Proposed Selective Capital Reduction, followed by the Ordinary Resolution for the Directors' Fees Payment. Shareholders should note that the Special Resolution and the Ordinary Resolution are not inter-conditional.

1.2 Legal Adviser

Latham & Watkins LLP is the legal adviser to the Company as to Singapore law in relation to the Selective Capital Reduction. This Circular was prepared by the Company with assistance from Latham & Watkins LLP in relation to the Selective Capital Reduction. Latham & Watkins LLP has not independently verified the contents of this Circular.

The Company has not sought legal advice, and no legal advisor has been appointed by the Company in respect of the Directors' Fees Payment.

The SGX-ST assumes no responsibility for the contents of this Circular, including the accuracy of any of the statements or opinions made or reports or letters contained in this Circular.

LETTER TO SHAREHOLDERS

2. THE PROPOSED SELECTIVE CAPITAL REDUCTION

2.1 Introduction and Background

2.1.1 Delisting Notification

The Company was placed on the watch-list ("**Watch-list**") pursuant to Rule 1311 of the Listing Manual of the SGX-ST (the "**Listing Manual**") by the SGX-ST on 3 December 2008. The SGX-ST had on 1 December 2010 granted the Company an extension until 1 June 2012 to meet the requirements under Rule 1314 of the Listing Manual to be removed from the Watch-list.

Under Rule 1314 of the Listing Manual of the SGX-ST, an issuer on the Watch-List may apply to the SGX-ST to be removed from the Watch-List if it records consolidated pre-tax profit for the most recently completed financial year (based on audited full year consolidated accounts) and has an average daily market capitalisation of S\$40 million or more over the last 6 months. The Company had, in April 2018, made an application to the SGX-ST for a further extension to meet the requirements to exit the Watch-List. The SGX-ST has since informed the Company that it is unable to grant an extension of the Watch-list period.

On 3 December 2019, the Company announced that the SGX-ST had on 3 December 2019 issued a delisting notification to the Company (the "**Delisting Notification**") under Rule 1315 of the Listing Manual. In the Delisting Notification, the SGX-ST notified the Company that:

- (i) as the Company has not met the requirements under Rule 1314 of the Listing Manual for its removal from the Watch-list, the SGX-ST will proceed to delist the Company pursuant to Rule 1315 of the Listing Manual;
- (ii) pursuant to Rule 1306 of the Listing Manual, the Company or its controlling shareholder(s) must comply with the requirements of Rule 1309 of the Listing Manual which requires the Company or its controlling shareholder(s) to provide a reasonable exit offer to the 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 SGX-ST updates via SGXNET on the status of the Company's exit offer proposal; and
- (iii) trading in the Company's securities will continue until 5.16 p.m., 2 January 2020 and the trading will remain suspended from 9 a.m., 3 January 2020 until completion of the exit offer.

The Company had, on 23 December 2019, made an application to SGX-ST for an appeal on the Delisting Notification. On 2 January 2020, the Company announced the suspension of trading of the Shares with immediate effect. On 18 August 2020, the SGX-ST notified the Company definitively that the SGX-ST will not consider any proposal or application from the Company which requests for any time extension to exit the Watch-List.

2.1.2 No Reasonable Cash Exit Offer

As announced on the Announcement Date, upon the receipt of the Delisting Notification, the Company had sought to explore various options to provide Shareholders with a reasonable exit alternative to comply with the requirements of the Delisting Notification. In particular, the Company had reached out to the controlling shareholders of the Company, Telemedia Pacific Group Limited ("**TPG**") and Mr. Hady Hartanto (the "**Controlling Shareholders**"), as to whether the Controlling Shareholders would look to make an exit offer for all the shares of the Company ("**Shares**") (excluding treasury shares), in view of the impending delisting of the Company from the SGX-ST (the "**Delisting**"). The Controlling Shareholders informed the Company that they are not in a position to make an exit offer, but indicated that they would be supportive of the Selective Capital Reduction subject to (amongst others) a specified price parameter of not more than S\$0.00155 per Participating Share, as detailed in paragraph 2.1.3 below.

LETTER TO SHAREHOLDERS

As at the Latest Practicable Date, the Company has been unable to source a viable cash exit alternative for the Shareholders from any other party.

The Company notes the announcement by MC Payment Limited (“MC Payment”) on 11 June 2021 that Mr Anthony Koh, the Executive Director and Chief Executive Officer of MC Payment, had engaged in exploratory talks with the Company in relation to a potential acquisition by MC Payment of a 51% interest in the Company. The exploratory talks concluded with no outcome and as at the Latest Practicable Date, the Company has not entered into any binding term sheets or binding agreements with MC Payment or any other party in relation to an acquisition of the Company.

The Board has considered the possible alternatives which may provide Shareholders a viable exit alternative, including undertaking a voluntary winding-up. However, taking into consideration the pricing of a potential exit offer by way of a selective capital reduction (as elaborated in paragraph 2.2 below), and further considering the longer timelines typically taken for undertaking and completing a voluntary winding-up (typically at least six months and usually much longer), the Board determined that the Selective Capital Reduction would be a more viable and efficient exit proposal for Shareholders.

2.1.3 Shareholders’ Approval for Selective Capital Reduction

In view of the above, the Directors propose to seek Shareholders’ approval by way of a special resolution at an EGM to be convened for a court-approved selective capital reduction exercise to be undertaken by the Company for the Participating Shares held by Participating Shareholders.²

In connection with the Company’s discussions with the Controlling Shareholders on a potential exit offer, as mentioned in paragraph 2.1.2 above, the Controlling Shareholders have confirmed to the Company that the Controlling Shareholders have no objection to the Company undertaking the Selective Capital Reduction, provided that (i) the price per Participating Share is not higher than S\$0.00155, taking into consideration the cash amount in the Company and the amount of cash the Company would need to continue operations post-delisting, and (ii) the Selective Capital Reduction is completed by 30 November 2021. In relation to point (ii), the Controlling Shareholders have subsequently reconfirmed that they have no objections to the Selective Capital Reduction, so long as the EGM for the Selective Capital Reduction is held by 30 November 2021.

Shareholders should also note that, in the event that the Selective Capital Reduction becomes effective, all of the Participating Shares held by the Participating Shareholders will be cancelled by the Company, and the Cash Distribution will be returned to the Participating Shareholders. The exact timing of the Cash Distribution will be announced once the Selective Capital Reduction is effective.

Once the Selective Capital Reduction is effective, the Company will be delisted by the SGX-ST from the Main Board of the SGX-ST pursuant to Rule 1315 of the Listing Manual and will continue to exist as an unlisted Singapore company.

If the Participating Shareholders do not approve the Selective Capital Reduction, there is no assurance that the Company will be able to arrange another undertaking or opportunity in the future for them to realise the value of their Shares.

If the Participating Shareholders do not approve the Selective Capital Reduction, there is no guarantee that another opportunity will arise in the future for them to realise the value of their Shares and when the Company is delisted, the Shareholders would be shareholders in an unlisted public company.

² Pursuant to Section 78G of the Companies Act.

LETTER TO SHAREHOLDERS

2.2 Overview

The Company proposes to cancel all of the 4,748,638,828 Shares ("**Participating Shares**") held by the Shareholders other than the Controlling Shareholders (the "**Participating Shareholders**"), in consideration for S\$0.00155 in cash per Participating Share (such price, the "**Participating Share Price**"), by way of a selective capital reduction pursuant to Section 78G of the Companies Act (the "**Selective Capital Reduction**"). This would provide the Participating Shareholders with an opportunity to exit (in cash) their investment in the Shares, trading in which has been suspended since 9 a.m. on 3 January 2020.

As at the Latest Practicable Date, the Company's issued share capital of the Company is S\$145,623,000, comprising 6,424,735,828 Shares in issue and 24,200,000 treasury shares.

In arriving at the Participating Share Price of S\$0.00155 for each Participating Share, the Company had taken into consideration, among others, the net asset value ("**NAV**") per Share. As at 31 March 2021, the NAV per Share was S\$0.001600, based on the NAV of the Group of S\$10.28 million and 6,424,735,828 issued Shares as at 31 March 2021. The Board also considered an expected decline in the NAV of the Group after 31 March 2021 for ongoing estimated monthly cash expenses and on the premise that the Group has no substantial sources of income, which would result in a reduction in the projected NAV per Share.

2.3 Reduction of Share Capital

The Selective Capital Reduction will involve reducing the issued share capital of the Company from S\$145,623,000 comprising 6,424,735,828 Shares, to S\$138,262,609.82 comprising 1,676,097,000 Shares, representing a reduction of the total number of issued Shares by 4,748,638,828 Shares (being all of the Participating Shares held by the Participating Shareholders) or approximately 73.91%³. Once the Selective Capital Reduction is completed, only the Controlling Shareholders will remain as shareholders of the Company.

2.4 Cash Distribution

If the Selective Capital Reduction becomes effective, it will apply to all of the Participating Shareholders and an aggregate sum of approximately S\$7,360,390.18 in cash (the "**Cash Distribution**") will be returned to the Participating Shareholders (save for the Relevant Participating Shareholders pursuant to the terms of the Settlement Deed, which is described in more detail in paragraph 2.11.3 below), on the basis of the Participating Share Price of S\$0.00155 for each Participating Share held by each Participating Shareholder that is cancelled as a result of the Selective Capital Reduction. If the Selective Capital Reduction does not become effective, all of the Participating Shareholders will continue to hold Shares and will not receive the Cash Distribution.

As at the Latest Practicable Date, the Company's cash and cash balances is S\$12,571,966.43. Part of the Company's cash will be retained to offset certain existing liabilities of the Group amounting to S\$2.92 million, being provision for (i) payment under the Demand for the advance of the Shareholders' Loan of US\$1.76 million (or approximately S\$2.37 million) as accounted for

³ For purposes of computation, the total issued share capital and total number of issued Shares are based on the total issued share capital and total number of issued Shares as at the Latest Practicable Date, being S\$145,623,000 comprising 6,424,735,828 issued Shares (excluding treasury shares).

LETTER TO SHAREHOLDERS

under the FY2021 Results (and as detailed in paragraphs 8.2 and 11 of Appendix E), and (ii) payment of directors' fees of approximately S\$501,211.62⁴. Following the aforementioned offset, the remaining cash and cash balances of the Company would be approximately S\$9.65 million.

The aggregate Cash Distribution of S\$7,360,390.18 represents (i) approximately 58.55% of the Company's cash and cash balances of S\$12,571,966.43 as at the Latest Practicable Date prior to the S\$2.92 million offset (as detailed above); and (ii) approximately 76.27% of the Company's cash and cash balances of S\$9.65 million following the aforementioned offset.

The aggregate Cash Distribution *less* the Settlement Shares Cash Distribution Amount of S\$596,440.34 due to the Relevant Participating Shareholders represents (i) approximately 53.80% of the Company's cash and cash balances of S\$12,571,966.43 as at the Latest Practicable Date prior to the S\$2.92 million offset (as detailed above); and (ii) approximately 70.09% of the Company's cash and cash balances of S\$9.65 million following the aforementioned offset.

Please also refer to Section 6.3.4 of the IFA Letter for the estimated financial position of the Group at the expected time of completion of the Selective Capital Reduction, assuming that the Selective Capital Reduction is completed by 31 December 2021.

2.5 Funds for the Selective Capital Reduction

The Selective Capital Reduction will be funded from existing cash reserves of the Company.

2.6 Escrow Arrangement

As announced by the Company in an announcement dated 25 May 2021 and in the Announcement, pursuant to a notice of compliance dated 18 May 2021 issued by the SGX-ST (the "**Notice**"), the Company has been deemed a cash company under Rule 1018 of the Listing Manual, and is required to place at least 90% of its cash (including existing cash balance and the consideration arising from any disposals) in an account opened with and operated by an escrow agent, which is part of any financial institution licensed and approved by the Monetary Authority of Singapore. The amount that is placed in the escrow account cannot be drawn down except for the purpose of making the exit offer to shareholders.

The Company has, on 6 October 2021, submitted an application to DBS Bank Ltd. ("**DBS**") to open an escrow account with DBS. Once opened, the Company intends to place S\$12.05 million, representing approximately 90% of its cash (including existing cash balance and the consideration arising from any disposals) as at 31 May 2021 of S\$13.4 million, in the escrow account.

⁴ Such directors' fees were incurred for FY2013, FY2016 and FY2017, and include directors' fees accrued for FY2022. The amount of directors' fees payable for FY2013, FY2016 and FY2017 are S\$178,000, S\$158,141 and S\$84,000, respectively. The amount of directors' fees accrued for FY2022 is S\$81,070.62. Although the directors' fees for FY2013 and FY2017 were approved for payment by Shareholders at the relevant general meetings of the Company, such fees have not yet been paid by the Company as:

- (i) in relation to the fees payable for FY2013, the Company has been unable to contact and confirm the bank account details of certain persons who were directors of the Company in FY2013. If the Company fails to obtain such confirmation by 31 December 2021, the Company intends to seek Shareholder approval to write-off the remaining directors' fees payable for FY2013, and use such amounts for purposes of the Company's working capital; and
- (ii) in relation to the directors' fees payable for FY2017, the Company had intended to issue Shares to the relevant directors as satisfaction of payment. As stated in the Company's Notice of AGM dated 11 November 2017 (the "**FY2017 Notice of AGM**"), a copy of which is set out in Part 2 of Appendix I to this Circular, the Company had sought Shareholders' approval for additional directors' fees of S\$223,166.66 for FY2017 to be settled by the issuance of equivalent number of ordinary shares in the capital of the Company at such issue price with reference to the market price of shares traded on the SGX-ST at time of issue, or to be paid in cash if the Company is unable to issue shares as share awards pursuant to a valid performance share plan or has not obtained specific Shareholders' approval for the issue of such shares to the Directors under Rule 804 of the Listing Manual by 31 March 2018. As of the Latest Practicable Date, the Company does not have a valid performance share plan in place, and has paid S\$139,166.66 of the FY2017 directors' fees in cash. The Company intends to pay the remaining S\$84,000 directors' fees payable for FY2017 in cash as well.

Please refer to paragraph 3 of the Letter for more information on the directors' fees incurred for FY2016.

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The Company intends to appoint Mr Mahtani Bhagwandas, Mr Lee Chia Sin and Mr Chan Tzun (Zeng Shun) as authorised signatories to the escrow account. Mr Mahtani Bhagwandas and Mr Lee Chia Sin are independent directors of the Company, and Mr Chan Tzun (Zeng Shun) is the Chief Executive Officer of Crowe Horwath Capital Pte. Ltd.. Pursuant to the terms of the Company's cash escrow agreement with DBS, the approval of all three authorised signatories is required before any withdrawal from the escrow account can be made. The Company will update Shareholders in due course via SGXNet on further developments concerning its escrow arrangement.

2.7 Confirmation of Financial Resources

Crowe Horwath Capital Pte. Ltd. (the **"Financial Adviser"**), who has been appointed as financial adviser to the Company solely for the purpose of providing this cash confirmation, confirms that sufficient financial resources are available to the Company to fund the payment of the aggregate Cash Distribution which will be returned to the Participating Shareholders if the Selective Capital Reduction becomes effective.

2.8 Rationale for the Selective Capital Reduction

The Selective Capital Reduction is a corporate exercise that is proposed by the Company for the Participating Shareholders to have an opportunity to fully exit their investment in the Shares in return for cash. Following the suspension of trading of the Shares on 9 a.m. on 3 January 2020, the Company understands that it has become difficult for the Participating Shareholders to exit their investment in the Shares given the lack of a public market for the Shares.

If the Participating Shareholders do not approve the Selective Capital Reduction, there is no assurance that the Company will be able to arrange another undertaking or opportunity in the future for them to realise the value of their Shares.

If the Participating Shareholders do not approve the Selective Capital Reduction, there is no guarantee that another opportunity will arise in the future for them to realise the value of their Shares and when the Company is delisted, the Shareholders would be shareholders in an unlisted public company.

2.9 Financial Effects of the Selective Capital Reduction

The pro forma financial effects of the Selective Capital Reduction on the share capital, earnings, net asset value ("**NAV**") and gearing of the Group have been prepared based on the FY2021 Results, the Company's issued share capital and taking into account, *inter alia*, the following bases and assumptions:

- (a) the financial effects on the Group's earnings and earnings per share are computed assuming that the Selective Capital Reduction was completed on 31 March 2021;
- (b) the financial effects on the Group's share capital, NAV and gearing are computed assuming that the Selective Capital Reduction was completed on 1 April 2020; and
- (c) the estimated incremental transaction costs incurred in relation to the Selective Capital Reduction are disregarded for computational purposes.

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2.9.1 Share Capital

For illustrative purposes only, the pro forma financial effects of the Selective Capital Reduction on the share capital of the Company for FY2021 are as follows:

	Before the Selective Capital Reduction	After the Selective Capital Reduction
Number of issued Shares (including treasury shares)	6,448,935,828	1,700,297,000
Number of issued Shares (excluding treasury shares)	6,424,735,828	1,676,097,000
Amount of share capital (S\$)	145,622,959.57	138,262,609.82

2.9.2 NAV

For illustrative purposes only, the pro forma financial effects of the Selective Capital Reduction on the NAV of the Company and the Group for FY2021 are as follows:

Company		
	Before the Selective Capital Reduction	After the Selective Capital Reduction
Net assets (S\$'000)	12,571	5,211
Number of issued Shares (excluding treasury shares)	6,424,735,828	1,676,097,000
NAV per Share (S\$)	0.00196	0.00311
Group		
	Before the Selective Capital Reduction	After the Selective Capital Reduction
Net assets (S\$'000)	10,200	2,840
Number of issued Shares (excluding treasury shares)	6,424,735,828	1,676,097,000
NAV per Share (S\$)	0.00159	0.00169

2.9.3 Earnings / (loss) per Share

For illustrative purposes only, the pro forma financial effects of the Selective Capital Reduction on the earnings per share of the Group for FY2021 are as follows:

	Before the Selective Capital Reduction	After the Selective Capital Reduction
Profit / (loss) attributable to shareholders (S\$'000)	(24,059)	(24,059)
Number of issued Shares (excluding treasury shares)	6,424,735,828	1,676,097,000
Earnings / (loss) per Share (Singapore cents)	(0.37)	(1.44)

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2.9.4 Gearing

The Company and the Group do not have any borrowings. Accordingly, there are no financial effects of the Selective Capital Reduction on the gearing ratio of the Company and the Group for FY2021.

2.10 Intentions relating to the Company and its Employees

2.10.1 The Controlling Shareholders' Future Plans

The Controlling Shareholders currently intend for the Company to continue with its existing business. Save as disclosed in this Circular and in publicly available information on the Controlling Shareholders, the Controlling Shareholders currently have no intention to (i) introduce any major changes to the business of the Company or any other Group Company, (ii) re-deploy the fixed assets of any Group Company, (iii) affect the operations of any Group Company or (iv) discontinue the employment of the existing employees of any Group Company, in each case, other than in the ordinary and usual course of the business.

Nonetheless, the Controlling Shareholders retain the flexibility at any time to consider any options or opportunities in relation to the Group which may present themselves and which they may regard to be in the interests of the Group.

2.10.2 Compulsory Acquisition

Each of the Controlling Shareholders is not entitled to, and will not avail itself of, the rights of compulsory acquisition under Section 215 of the Companies Act. It should also be noted that the Participating Shareholders will also have no right and are not entitled to require the Controlling Shareholders to acquire their Shares under Section 215(3) of the Companies Act.

2.11 Disclosure of Shareholdings and Dealings

2.11.1 Share Capital

As at the Latest Practicable Date:

- (a) the Company has only one class of Shares in issue (being the Shares). There are 6,424,735,828 Shares in issue and 24,200,000 treasury shares and the Company is deemed to be interested in the Settlement Shares by virtue of the Settlement Deed; and
- (b) there are no instruments convertible into Shares, or any options, rights or warrants for the issuance of any new Shares, outstanding.

2.11.2 Disclosures

As at the Latest Practicable Date, except as set out in Appendix C to this Circular, none of (i) TPG or its directors, (ii) Mr. Hady Hartanto, or (iii) parties acting in concert with any of the Controlling Shareholders:

- (a) owns, controls or has agreed to acquire:
 - (i) any Shares;
 - (ii) any securities which carry voting rights in the Company; or
 - (iii) any convertible securities, warrants, options or derivatives in respect of any Shares or securities which carry voting rights in the Company,(collectively, "**Relevant Securities**");

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- (b) has dealt for value in any Relevant Securities during the period commencing on 11 April 2021 (the “**3M Start Date**”), being the date falling three months prior to the Announcement Date, and ending on the Latest Practicable Date;
- (c) has entered into any arrangement (whether by way of option, indemnity or otherwise) in relation to any Relevant Securities which might be material to the Selective Capital Reduction;
- (d) has entered into any arrangement with any person of the kind referred to in Note 7 on Rule 12 of the Code, including any indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to the Shares which may be an inducement to deal or refrain from dealing in the Shares;
- (e) has granted any security interest in respect of any Relevant Securities in favour of any other person, whether through a charge, pledge or otherwise;
- (f) has borrowed any Relevant Securities from any other person (excluding borrowed Relevant Securities which have been on-lent or sold); or
- (g) has lent any Relevant Securities to any other person.

2.11.3 Settlement Shares

As announced by the Company on 20 February 2017, the Company had entered into the Settlement Deed with the Relevant Participating Shareholders in respect of the Settlement Shares. Pursuant to the Settlement Deed, the parties agreed that the Company will receive the economic and monetary rights and benefits, and is entitled to the voting rights, in respect of the Settlement Shares.

The Settlement Shares are currently held with CDP under the names of the respective Relevant Participating Shareholders (or on their behalf by a nominee), and ZICO Trust (S) Ltd. is the current custodian of the Company in respect of the Settlement Shares. The Settlement Shares are currently held as follows: (i) 384,799,887 Settlement Shares (comprising 99.99% of the Settlement Shares) are held by or on behalf of Ban Joo Investment (Pte) Ltd; and (ii) 333 Settlement Shares (comprising 0.01% of the Settlement Shares) are held by or on behalf of Chin Pang Joo@Ivan Lam Pang Joo.

Notwithstanding the Company's contractual entitlement to the economic and monetary rights and benefits of, and voting rights to, the Settlement Shares (including the right to dispose of the Settlement Shares), the Settlement Shares remain registered under the names of the Relevant Participating Shareholders and will form part of the Participating Shares to be cancelled pursuant to the Selective Capital Reduction, and accordingly, a Cash Distribution amount of S\$596,440.34 (based on the Participating Share Price) (the “**Settlement Shares Cash Distribution Amount**”) would be payable to the Relevant Participating Shareholders.

However, as the Company is contractually entitled to the economic and monetary rights and benefits of the Settlement Shares pursuant to the Settlement Deed, the Settlement Shares Cash Distribution Amount will be for the account of the Company. The Company intends to retain the Settlement Shares Cash Distribution Amount for the benefit of the Company to defray and pay for its ongoing expenses, as the Company presently has no substantial sources of revenue.

None of the Controlling Shareholders and/or any of the Directors are related or connected to any of the Relevant Participating Shareholders.

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2.12 Process of the Selective Capital Reduction

As mentioned in paragraph 2.1.3, the Company is seeking Shareholders' approval for the Selective Capital Reduction in accordance with Section 78G of the Companies Act.

Pursuant to Section 78G of the Companies Act, in order for the Selective Capital Reduction to be approved, the Selective Capital Reduction requires:

- (b) a special resolution⁵ to be passed by the Shareholders approving the Selective Capital Reduction; and
- (c) the approval and confirmation by the High Court of the Republic of Singapore ("**Court**") of the Selective Capital Reduction.

Upon an order of the Court being made approving the Selective Capital Reduction ("**Court Order**"), the Selective Capital Reduction will take effect upon the lodgment of a copy of the Court Order, together with the other documents as prescribed under the Companies Act, with the Registrar within 90 days beginning with the date the Court Order is made, or within such longer period as the Registrar may allow.

2.13 Abstentions in relation to the Selective Capital Reduction

The Controlling Shareholders and parties acting in concert with the Controlling Shareholders will abstain and will not vote on the special resolution to approve the Selective Capital Reduction at the EGM.

Mdm. Sri Tjintawati Hartanto, who is a Non-Executive Non-Independent Director, is the sister of Mr. Hady Hartanto (being one of the Controlling Shareholders) and accordingly, is presumed to be acting in concert with Mr. Hady Hartanto. In connection therewith, Mdm. Sri Tjintawati Hartanto will abstain and will not vote on the special resolution relating to the Selective Capital Reduction at the EGM.

For the avoidance of doubt, notwithstanding her familial relationship with Mr. Hady Hartanto, Mdm Sri Tjintawati Hartanto is not prohibited from participating in the Selective Capital Reduction as a Participating Shareholder although she will abstain from voting on the aforesaid special resolution.

While the Company is entitled to voting rights in respect of the Settlement Shares pursuant to the terms of the Settlement Deed, the Company has never exercised such voting rights since the date of the Settlement Deed and will also not be exercising such rights in connection with the Selective Capital Reduction.

2.14 Irrevocable Undertakings in relation to the Selective Capital Reduction

As at the Latest Practicable Date, none of the Controlling Shareholders, parties acting in concert with the Controlling Shareholders and/or the Company has received any irrevocable undertaking from any Participating Shareholder to vote in favour of the Selective Capital Reduction.

2.15 Administrative Procedures in relation to the Selective Capital Reduction

2.15.1 Record Date

Participating Shareholders registered in the Register of Members as at the Record Date will be entitled to receive the Participating Share Price of S\$0.00155 for each Share registered in their respective names as at the Record Date.

⁵ A special resolution requires the approval of a majority of at least 75% of all Shares voted by Shareholders present and voting at the EGM – such majority is counted on a "present and voting" basis (not based on total Shares in issue).

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2.15.2 Settlement of Cash Distribution

Subject to the conditions in paragraphs 2.12(a) and 2.12(b) being satisfied, on the lodgement of a copy of the Court Order together with the other documents prescribed under the Companies Act with the Registrar, the Selective Capital Reduction shall take effect on such date (the “**Effective Date**”), and payment of the Cash Distribution pursuant to the Selective Capital Reduction will be made in the manner set out below.

Participating Shareholders whose Shares are registered in the Register of Members as at the Record Date will have the cheques for payment of their entitlements to the Cash Distribution despatched to them by ordinary post at their own risk at their Registered Addresses within seven (7) Business Days of the Effective Date. **A Participating Shareholder who wishes to record any change in his Registered Address should notify the Share Registrar, B.A.C.S Private Limited at 8 Robinson Road, #03-00 ASO Building, Singapore 048544 of such change before the Record Date.**

2.16 Exemptions by the Council in relation to the Selective Capital Reduction

2.16.1 Exemptions

The Securities Industry Council (the “**Council**”) has exempted the Selective Capital Reduction from Rules 14, 15, 16, 17, Note 1(b) on Rule 19, 20.1, 21, 22, 28, 29 and 33.2 of the Singapore Code on Take-overs and Mergers (the “**Code**”), subject to the following conditions:

- (a) the Controlling Shareholders and their concert parties abstaining from voting on the Selective Capital Reduction at the EGM to be convened for the purpose of approving the Selective Capital Reduction;
- (b) the Directors who are presumed to be acting in concert with the Controlling Shareholders abstaining from making a recommendation on the Selective Capital Reduction to the Participating Shareholders; and
- (c) the Company appointing an independent financial adviser to advise the Participating Shareholders on the Selective Capital Reduction.

2.16.2 Recommendation and Responsibility

As at the Latest Practicable Date, the Directors are Dr. Michael Kuan-Chi Sun, Mdm. Sri Tjintawati Hartanto, Mdm. Wang Xiaozheng, Mr. Lee Chia Sin and Mr. Mahtani Bhagwandas.

As Mdm. Sri Tjintawati is presumed to be acting in concert with the Controlling Shareholders in view of her familial relationship with a Controlling Shareholder, and taking into consideration Note 3 on Rule 24.1 of the Take-overs Code which states that directors who have an irreconcilable conflict of interests should not join with the remainder of the board in the expression of its views on the offer, the Council has ruled that Mdm. Sri Tjintawati Hartanto will be exempt from the requirement to make a recommendation on the Selective Capital Reduction to Participating Shareholders.

All Directors (including Mdm. Sri Tjintawati Hartanto) must, nonetheless, still assume responsibility for the accuracy of the facts stated or opinions expressed in documents and advertisements issued by, or on behalf of, the Company to Participating Shareholders in connection with the Selective Capital Reduction.

2.17 Advice of IFA in relation to the Selective Capital Reduction

2.17.1 IFA

Provenance Capital Pte. Ltd. has been appointed as the independent financial adviser to advise the Independent Directors in respect of the Selective Capital Reduction (“**IFA**”). Shareholders should consider carefully the advice of the IFA to the Independent Directors and the recommendation of

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the Independent Directors before deciding whether to vote in favour of or against the Selective Capital Reduction at the EGM. The IFA's advice is set out in its letter dated 3 November 2021 which is reproduced in Appendix A to this Circular ("**IFA Letter**").

2.17.2 Advice of IFA

Having considered the points set out in Section 7 of the IFA Letter and reproduced in italics below, including the various considerations set out in the IFA Letter, the IFA is of the view that, the financial terms of the Selective Capital Reduction are both fair and reasonable. Accordingly, the IFA has advised the Independent Directors to recommend that the Participating Shareholders vote in favour of the Selective Capital Reduction. **The considerations and recommendations set out below should be considered and read in conjunction with, and in the context of, the full text of the IFA Letter.** Unless otherwise defined or the context otherwise requires, all capitalised terms below shall have the same meanings as defined in the IFA Letter.

"7. OUR RECOMMENDATION TO THE INDEPENDENT DIRECTORS ON THE PROPOSED SELECTIVE CAPITAL REDUCTION

In arriving at our recommendation on the Proposed Selective Capital Reduction, we have assessed the financial terms of the Proposed Selective Capital Reduction based on the following key considerations which we consider to be pertinent and may have a significant bearing on our assessment:

- (a) Proposed Selective Capital Reduction as an Exit Offer;*
- (b) Market quotation and trading activity of the Shares prior to its trading suspension;*
- (c) Financial analysis of the Group;*
- (d) Comparison with exit offers of companies pursuant to directed delisting by the SGX-ST;*
- (e) Dividend track record of the Company;*
- (f) Assessment of the estimated value range of the Shares; and*
- (g) Other relevant considerations.*

Based on our analysis and after having carefully considered the information available to us as at the Latest Practicable Date, overall, we are of the view that the financial terms of the Proposed Selective Capital Reduction, which serves as a viable Exit Offer pursuant to the Directed Delisting by the SGX-ST, are both fair and reasonable. Accordingly, we advise the Independent Directors to recommend Participating Shareholders to vote in favour of the Proposed Selective Capital Reduction. The Independent Directors should also highlight to Participating Shareholders that the Proposed Selective Capital Reduction, when it becomes effective, will apply to all Participating Shareholders, whether they have attended or voted at the EGM, and if they had attended and voted, whether they have voted in favour of the Proposed Selective Capital Reduction.

As the trading of the Shares has been suspended, Shareholders should note that pursuant to Rule 729 of the Listing Manual, there must not be any transfer of the Shares unless approved by the SGX-ST. This being so, the Proposed Selective Capital Reduction is presently the only available option to Shareholders who wish to exit their investment in the Company.

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The Proposed Selective Capital Reduction is conditional upon Shareholders' approval by way of a special resolution at the EGM, and the approval and confirmation of the Proposed Selective Capital Reduction by the Court. In the event that the Proposed Selective Capital Reduction does not become effective, the Directed Delisting will still proceed in view of the Delisting Notification by the SGX-ST. Shareholders should also note that apart from Shareholders' approval of the Proposed Selective Capital Reduction, Shareholders' approval is not separately required for the Directed Delisting by the SGX-ST pursuant to the Delisting Notification.

Our recommendation to the Independent Directors in relation to the Proposed Selective Capital Reduction should be considered in the context of the entirety of this Letter and the Circular.

In rendering the above advice, we have not given regard to the specific investment objectives, financial situation, tax position, risk profiles or needs and constraints of any individual Shareholder. As each individual Shareholder would have different investment objectives and profiles, we would advise that any individual Shareholder who may require specific advice in relation to his investment objectives or portfolio should consult his legal, financial, tax or other professional adviser immediately. The Independent Directors should advise Shareholders that the opinion and advice of Provenance Capital should not be relied upon by any Shareholder as the sole basis for deciding whether to vote in favour of the Proposed Selective Capital Reduction."

SHAREHOLDERS ARE ADVISED TO READ THE FULL TEXT OF THE IFA LETTER SET OUT IN APPENDIX A TO THIS CIRCULAR CAREFULLY.

2.18 Other Considerations in relation to the Selective Capital Reduction

2.18.1 Delisting of the Company

Shareholders should note that the Company shall be mandatorily delisted from the Main Board of the SGX-ST pursuant to Rule 1315 of the Listing Manual and will become an unlisted Singapore limited company regardless of whether it proceeds with the Selective Capital Reduction. While the Company may operate as an unlisted Singapore limited company upon and after delisting, the Shares may become illiquid upon delisting as Shareholders are no longer able to trade their shares on the Main Board of the SGX-ST. Shares of unlisted companies are generally valued at a discount to the shares of comparable listed companies as a result of the lack of liquidity. As such, it is likely to be difficult for shareholders of an unlisted public company to sell their shares in the absence of a public market for the shares. Shareholders should also note that the Company will no longer be subjected to the rules of the Listing Manual subsequent to the delisting.

3. THE DIRECTORS' FEES PAYMENT

The Company had, in its annual general meeting held on 12 May 2017 ("FY2016 AGM"), sought and obtained Shareholders' approval to pay the sum of S\$150,200 in cash as part payment of directors' fees for FY2016. The Company has paid these fees in cash to the relevant persons.

In the notice issued for the FY2016 AGM (the "FY2016 Notice of AGM"), a copy of which is set out in Part 1 of Appendix I to this Circular, the Company stated that it would seek Shareholders' approval in a separate general meeting to be convened by the Company for the payment of the remaining proposed directors' fees for FY2016 of S\$158,141 to be paid in the form of Shares. However, as trading in the Company's securities is currently suspended, the Directors propose to seek Shareholders' approval, by way of an ordinary resolution at an EGM to be convened, for payment of the sum of S\$158,141 in cash (and not Shares) to the relevant persons as directors' fees for FY2016 (the "Directors' Fees Payment").

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For Shareholders' reference, selected texts of the Company's constitution relating to the payment of directors' fees have been reproduced in Part 2 of Appendix F to this Circular.

A summary of the persons to whom the FY2016 Payable Directors' Fees are payable is set out below.

Name	Description	Tenure of service as director of the Company up to 31 March 2016	Directors' Fees payable for FY2016 (S\$)
Andrew Coulton	Non-Executive Non-Independent Chairman	3 years	26,000.00
Dr. Michael Kuan-Chi Sun	Executive Director	3 years	26,000.00
Sri Tjintawati Hartanto	Executive Director	7 years and 3 months	26,000.00
Lye Meng Yiau	Executive Director	2 years and 8 months	26,000.00
Edward Fu Shu Sheen	Lead Independent Director	2 years and 6 months	26,000.00
Li Man Wai	Independent Director	2 months	2,141.00
Lai Chik Fan	Non-Executive Director	3 years	26,000.00

4. RECOMMENDATIONS OF THE DIRECTORS

4.1 Recommendations of the Independent Directors in relation to the Selective Capital Reduction

The Independent Directors, having considered carefully the terms of the Selective Capital Reduction and the advice given by the IFA in the IFA Letter, concurs with the advice given by the IFA in respect of the Selective Capital Reduction as extracted in paragraph 2.17.2. The Independent Directors are of the opinion that the Selective Capital Reduction is in the best interests of the Company and accordingly recommend that the Participating Shareholders vote in favour of the special resolution relating to the Selective Capital Reduction at the EGM.

In making his/her recommendation, each of the Independent Directors has not had regard to the specific objectives, financial situation, tax status, risk profiles or unique needs and constraints of any individual Shareholder. Accordingly, the Independent Directors recommend that any individual Shareholder who may require advice in the context of his specific investment portfolio should consult his/her stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

4.2 Recommendations of the Relevant Directors in relation to the Directors' Fees Payment

As Dr. Michael Kuan-Chi Sun and Mdm. Sri Tjintawati Hartanto are intended recipients of the FY2016 Directors' Fees and interested in the Directors' Fees Payment, they have abstained from making any recommendation on the Directors' Fees Payment.

The remaining Directors are of the opinion that the Directors' Fees Payment is in the best interests of the Company and accordingly recommend that the Shareholders vote in favour of the ordinary resolution relating to the Directors' Fees Payment at the EGM.

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5. EXTRAORDINARY GENERAL MEETING

5.1 Background on COVID-19

The Directors refer to:

- (i) the COVID-19 (Temporary Measures) Act 2020 passed by Parliament on 7 April 2020 which enables the Minister for Law by order to prescribe alternative arrangements for listed entities in Singapore to, *inter alia*, conduct general meetings, either wholly or partly, by electronic communication, video conferencing, tele-conferencing or other electronic means; and
- (i) the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 which was gazetted on 13 April 2020 (as amended), and which sets out the alternative arrangements in respect of, *inter alia*, general meetings of Companies.

5.2 Date, time and conduct of EGM

The EGM will be convened and held by way of electronic means on 25 November 2021, at 10.00 a.m., for the purpose of considering and, if thought fit, passing with or without modification, the resolutions set out in the Notice of EGM.

Approval by way of Special Resolution is required in respect of Shareholders' approval for the Selective Capital Reduction, and approval by way of Ordinary Resolution is required in respect of Shareholders' approval for the Directors' Fees Payment.

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register, as certified by CDP as at 72 hours before the time fixed for the EGM.

Mr Lee Chia Sin, will conduct the proceedings of the EGM. The Directors will endeavour to address all substantial and relevant questions received in advance of the EGM from Shareholders, prior to or during the EGM. The Company will publish the responses to the substantial and relevant questions which the Company is unable to address during the EGM, on the Company's website and on SGXNET prior to the EGM. The Company will publish the minutes of the EGM on the Company's website and on SGXNET within one month from the date of the EGM, and the minutes will include the responses to the substantial and relevant questions which are addressed during the EGM.

Shareholders will not be able to ask questions at the EGM live during the audio-visual webcast or audio-only stream, and therefore it is important for Shareholders who wish to ask questions to submit their questions in advance of the EGM.

6. ACTION TO BE TAKEN BY SHAREHOLDERS

6.1 Circular, Notice of EGM and Proxy Forms

The Circular, the Notice of Extraordinary General Meeting and a Proxy Form has been sent to Shareholders, and are also available on the Company's IR website at the URL <https://www.ngscinvestment.com/investor-relations.html>, and is also available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

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6.2 Alternative arrangements for participation in the EGM

In view of the COVID-19 restrictions imposed by the Government of Singapore, **members will not be able to attend the forthcoming EGM in person**. Shareholders may participate in the EGM by:

- (i) observing and/or listening to the EGM proceedings via live webcast (comprising both video (audio-visual) and audio-only feeds) via their mobile phones, tablets or computers;
- (ii) submitting questions in advance of the EGM; and/or
- (iii) appointing the Chairman of the Meeting as proxy to attend, speak and vote on their behalf at the EGM.

A Shareholder (whether individual or corporate) who has Shares entered against his/her/its name in the Depository Register maintained by The Central Depository (Pte) Limited as at the cut-off time being 72 hours prior to the time of the EGM (being the time at which the name of the Shareholder must appear in the Depository Register, in order for him/her/it to be considered to have Shares entered against his/her/its name in the said Registers), shall be entitled to access the live webcast and attend and vote via proxy at the forthcoming EGM.

In view of the COVID-19 situation, all Shareholder (whether individual or corporate) who wish to exercise his/her/its voting rights are requested to complete the Proxy Form in accordance with the instructions therein and submit it to the Company in the following manner:

- (a) if submitted by post, be deposited at the office of the Company's Share Registrar, B.A.C.S. Private Limited, at 8 Robinson Road, #03-00 ASO Building, Singapore 048544; or
- (b) if submitted electronically, by email to the Company's Share Registrar at main@zicoholdings.com,

in either case, by 10.00 a.m. on 23 November 2021 (being not less than forty-eight (48) hours before the time appointed for holding the EGM).

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed Proxy Forms by post, the Company strongly encourages members to submit completed Proxy Forms electronically via email.

All Shareholders (whether individual or corporate) who wish to exercise his/her/its voting rights must appoint the Chairman of the Meeting as proxy to attend, speak and vote on his/her/its behalf at the EGM. In appointing the Chairman of the Meeting as proxy, a Shareholder must give specific instructions as to voting, or abstention from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

6.3 Steps for pre-registration and pre-submission of questions and voting at the EGM

Shareholders will be able to observe and/or listen to the EGM proceedings through a live webcast (comprising both video (audio-visual) and audio-only feeds) via their mobile phones, tablets or computers by pre-registering, submit questions relating to the resolutions to be tabled for approval at the EGM in advance of the EGM and vote by appointing the Chairman of the Meeting as proxy to attend, speak and vote on their behalf at the EGM.

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To do so, they will need to complete the following steps in accordance with the dates / deadlines specified:

Pre-registration		
No	Steps	Dates/ Deadlines
1.	A shareholder who wishes to watch and observe the proceedings of the EGM 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/Scrip-based records), identification number (e.g. NRIC/Passport Number/FIN), shareholding type(s) (e.g. CDP/CPF/SRS/Scrip-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.	<p>Pre-registration by 10.00 a.m. on 22 November 2021.</p> <p>Shareholders who hold their Shares through relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 of Singapore should approach their respective relevant intermediaries through which they hold such Shares as soon as possible in order to make the necessary arrangements.</p>
2.	Upon successful authentication, each such shareholder will receive an email reply by 10.00 a.m on 24 November 2021. The email reply will contain instructions to access the live webcast of the EGM proceedings. Only authenticated members are permitted to access and attend the EGM proceedings.	Shareholders who have pre-registered by the deadline of 10.00 a.m. on 22 November 2021 but have not received an email reply by 10.00 a.m on 24 November 2021 are to contact the Company for assistance by phone (at (65) 6479 3866) or by email (at jamie.koit@ngscinvestment.com) as soon as practicable.
Submission of Questions		
No	Steps	Dates/ Deadlines
1.	Shareholders (whether individual or corporate) may submit their questions by email, together with their full name (as per CDP/CPF/SRS/Scrip-based records), identification number (e.g. NRIC/Passport Number/FIN), shareholding type(s) (e.g. CDP/CPF/SRS/Scrip-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	<p>All questions must be submitted by 10.00 a.m. on 22 November 2021 (that is not less than 72 hours before the time fixed for holding the forthcoming EGM) to jamie.koit@ngscinvestment.com.</p> <p>The Company will endeavour to address all relevant and substantial questions (as may be determined by the Company in its sole discretion) received.</p>

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Submission of Proxy Form to vote		
No	Steps	Dates/ Deadlines
1.	<p>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 EGM 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 EGM.</p> <p>As a recap, only the chairman of the forthcoming EGM may be appointed as proxy.</p>	<p>All votes and/or questions must be submitted by 10.00 a.m. on 16 November 2021 (i.e. at least seven (7) working days before the EGM).</p>
2.	<p>The Proxy Form must be submitted in the following manner:</p> <p>(a) if submitted by post, be deposited at the office of the Company's Share Registrar, B.A.C.S. Private Limited, at 8 Robinson Road, #03-00 ASO Building, Singapore 048544; or</p> <p>(b) if submitted electronically, via email to the Company's Share Registrar at main@zicoholdings.com,</p> <p>in either case not later than 10.00 a.m. on 23 November 2021 (that is, not less than 48 hours before the time appointed for holding the above EGM).</p> <p>Members are strongly encouraged to submit the completed and signed PDF copies of their proxy forms to the Company via email.</p>	<p>Proxy Forms to reach the Company's Share Registrar, B.A.C.S Private Limited, by 10.00 a.m. on 23 November 2021.</p> <p>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 EGM in order for the Depositor to be entitled to access the live webcast and attend and vote via proxy at the forthcoming EGM.</p> <p>The Company will publish the minutes of the EGM via the SGXNet platform and the Company's website within one month after the date of EGM.</p>

6.4 Important Reminder

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. 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 EGM will be announced by the Company on the SGXNet platform.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including any Director who may have delegated detailed supervision of this Circular) collectively and individually accept full responsibility for the accuracy of the information given in this Circular (other than the IFA Letter, for which the IFA has taken responsibility, paragraphs 2.10 and 2.11.2 above and Appendices B to D to this Circular, for which the Controlling Shareholders have taken responsibility, and opinions expressed by, the Controlling Shareholders and the Valuation Report set out in Appendix G to this Circular, for which the Valuer has taken responsibility) and

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confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Selective Capital Reduction, the Directors' Fees Payment and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source (including, without limitation, information in relation to the IFA), the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

In respect of the IFA Letter, the sole responsibility of the Directors has been to ensure that the facts stated with respect to the Group are, to the best of their knowledge and belief, fair and accurate in all material respects.

8. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company, at 20 Collyer Quay #01-02 Singapore 049319, during normal business hours for a period of three months from the date of this Circular:

- (a) Constitution of the Company;
- (b) the IFA Letter as set out in Appendix A to this Circular;
- (c) the letters of consent referred to in Appendix E to this Circular;
- (d) the annual report of the Company for FY2021;
- (e) the Valuation Report;
- (f) the Announcement; and
- (g) the FY2021 Results.

In view of the movement restrictions pursuant to the COVID-19 (Temporary Measures) (Control Order) Regulations 2020, access to the registered office of the Company may not be possible during this period. Shareholders who wish to inspect the above documents should contact the Company so that arrangements can be made.

Yours faithfully
For and on behalf of
the Board of Directors of
NGSC LIMITED

Dr. Michael Kuan-Chi Sun
Executive Director

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PROVENANCE CAPITAL PTE. LTD.

(Company Registration Number: 200309056E)
(Incorporated in the Republic of Singapore)
96 Robinson Road #13-01 SIF Building
Singapore 068899

3 November 2021

To: The Independent Directors of NGSC Limited
(deemed to be independent in respect of the Proposed Selective Capital Reduction)

Dr Michael Kuan-Chi Sun	(Executive Director)
Mdm Wang Xiaozheng	(Non-Executive Non-Independent Director)
Mr Lee Chia Sin	(Independent Director)
Mr Mahtani Bhagwandas	(Independent Director)

Dear Sirs/Mdm,

PROPOSED SELECTIVE CAPITAL REDUCTION AS AN EXIT OFFER PURSUANT TO THE DIRECTED DELISTING BY THE SGX-ST

*Unless otherwise defined or the context otherwise requires, all terms used in this letter ("**Letter**") have the same meanings as defined in the circular to shareholders of NGSC Limited ("**Shareholders**") dated 3 November 2021 ("**Circular**"). For the purposes of this Letter, the Latest Practicable Date is 27 October 2021 as defined in the Circular.*

1. INTRODUCTION

- 1.1 NGSC Ltd ("**Company**") and together with its subsidiaries, ("**Group**") is listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Company was placed on the watch-list ("**Watch-List**") on 3 December 2008 pursuant to Rule 1311 of the listing manual ("**Listing Manual**") of the SGX-ST and had not been able to meet the exit criteria for removal from the Watch-List within the deadline stipulated by the SGX-ST.

On 3 December 2019, the Company announced that it had, on that date, received a notification of delisting ("**Delisting Notification**") from the SGX-ST that, *inter alia*, the SGX-ST will proceed to delist the Company pursuant to Rule 1315 of the Listing Manual ("**Directed Delisting**") and the Company or its controlling shareholder(s) is to provide a reasonable exit offer ("**Exit Offer**") to Shareholders pursuant to Rule 1306 and Rule 1309 of the Listing Manual.

Trading on the Company's securities has been suspended since 3 January 2020 and will remain suspended until the completion of the Exit Offer, following which the Company will be officially delisted from the SGX-ST.

On 18 August 2020, the SGX-ST notified the Company definitively that the SGX-ST will not consider any proposal or application from the Company which requests for any time extension to exit the Watch-List.

On 25 May 2021, the Company announced that the directors of the Company ("**Directors**") were considering the viability of undertaking an Exit Offer by way of a court-approved selective capital reduction by the Company (a "**Selective Capital Reduction**"), where the shares of the Company ("**Shares**") held by Shareholders other than the Controlling Shareholders, would *inter alia*, subject to Shareholders' approval and court approval, be cancelled in return for cash. At that juncture, no firm decision was made on the terms of any Exit Offer proposal. Telemedia Pacific Group Ltd ("**TPG**") and

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Mr Hady Hartanto are deemed as the Controlling Shareholders of the Company as they have a deemed interest of 26.09% in the issued share capital of the Company.

In connection with the above, the Company has appointed us, Provenance Capital Pte. Ltd. ("**Provenance Capital**"), as the independent financial adviser ("**IFA**") to advise the Directors who are considered independent for the purposes of any potential Exit Offer. Pursuant to Rule 1309(2) of the Listing Manual, the Company must appoint an IFA to advise on the Exit Offer and the IFA must opine that the Exit Offer is both fair and reasonable.

- 1.2** On 11 July 2021 ("**Announcement Date**"), the Company announced ("**Announcement**") the definitive terms of the proposed Selective Capital Reduction to be carried out pursuant to Section 78G of the Companies Act, Chapter 50 of Singapore ("**Companies Act**") ("**Proposed Selective Capital Reduction**"). Pursuant to the Proposed Selective Capital Reduction, the Company proposes to cancel all the 4,748,638,828 Shares ("**Participating Shares**") held by Shareholders other than the Controlling Shareholders ("**Participating Shareholders**"), representing 73.91% of the issued share capital of the Company, in consideration for the payment to these Participating Shareholders of **S\$0.00155 in cash for each Participating Share**.

The Proposed Selective Capital Reduction provides the Participating Shareholders with an opportunity to exit (in cash) their investment in the Company and serves as an Exit Offer in compliance with the Directed Delisting.

Upon the completion of the Proposed Selective Capital Reduction, the Company will be wholly owned by the Controlling Shareholders and the Company will be delisted from the SGX-ST. The Controlling Shareholders and their concert parties will be required to abstain from voting on the special resolution to approve the Proposed Selective Capital Reduction at the extraordinary general meeting of the Company ("**EGM**") to be convened to approve the Proposed Selective Capital Reduction, and only the Participating Shareholders (subject to any abstentions from voting) can vote on the special resolution to approve the Proposed Selective Capital Reduction at the EGM.

If the Proposed Selective Capital Reduction is not duly approved by the Participating Shareholders at the EGM, there is no assurance that the Company will be able to arrange another undertaking or opportunity in the future for them to exit from their investments in the Company. Participating Shareholders should, therefore, note that the Company will be officially delisted from the SGX-ST even if the Proposed Selective Capital Reduction does not proceed to completion. Thereafter, the Company will become a public unlisted company.

- 1.3** As at the Latest Practicable Date, the Directors are as follows:

Dr Michael Kuan-Chi Sun	(Executive Director)
Mdm Sri Tjintawati Hartanto	(Non-Executive Non-Independent Director)
Mdm Wang Xiaozheng	(Non-Executive Non-Independent Director)
Mr Lee Chia Sin	(Independent Director)
Mr Mahtani Bhagwandas	(Independent Director)

Mdm Sri Tjintawati Hartanto is the sister of Mr Hady Hartanto.

Mr Hady Hartanto is deemed interested in 1,664,500,000 Shares held by TPG as TPG is indirectly wholly owned by Mr Hady Hartanto. Mr Hady Hartanto is also deemed interested in 11,597,000 Shares held through Straits Law Practice LLC as nominee. In total, Mr Hady Hartanto has a deemed interest in 1,676,097,000 Shares, representing 26.09% of the issued share capital of the Company comprising 6,424,735,828 issued Shares (excluding treasury shares). Mr Hady Hartanto and TPG are considered as Controlling Shareholders.

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The Company had made an application to the Securities Industry Council (“**SIC**”) to seek certain exemptions and confirmations under the Singapore Code on Take-overs and Mergers (“**Code**”). The SIC had, on 2 July 2021, ruled, *inter alia*, that Mdm Sri Tjintawati Hartanto is exempted from the requirement of making a recommendation to the Participating Shareholders on the Proposed Selective Capital Reduction as she faces an irreconcilable conflict of interest in view of her familial relationship with the Controlling Shareholder.

The Company has confirmed that the remaining Directors, namely Dr Michael Kuan-Chi Sun, Mdm Wang Xiaozheng, Mr Lee Chia Sin and Mr Mahtani Bhagwandas are considered as independent directors for the purposes of the Proposed Selective Capital Reduction (“**Independent Directors**”).

This Letter is required under Rule 1309(2) of the Listing Manual as well as addressed to the Independent Directors. It sets out, *inter alia*, our evaluation and advice on the financial terms of the Proposed Selective Capital Reduction and our recommendations thereon. This Letter forms part of the Circular which provides, *inter alia*, details on the Proposed Selective Capital Reduction and the recommendations of the Independent Directors on the Proposed Selective Capital Reduction.

2. TERMS OF REFERENCE

Provenance Capital has been appointed as the IFA pursuant to Rule 1309(2) of the Listing Manual as well as to advise the Independent Directors on the Proposed Selective Capital Reduction.

We have confined our evaluation and assessment to the financial terms of the Proposed Selective Capital Reduction and have not considered the commercial risks or commercial merits of the Proposed Selective Capital Reduction. In addition, we have not been requested, and we do not express any advice or give any opinion on the merits of the Proposed Selective Capital Reduction relative to any other alternative transaction. We were not involved in the negotiations pertaining to the Proposed Selective Capital Reduction nor were we involved in the deliberations leading up to the decision to put forth the Proposed Selective Capital Reduction to the Participating Shareholders.

The scope of our appointment does not require us to conduct a comprehensive independent review of the business, operations or financial condition of the Company and/or the Group, or express, and we do not express, a view on the future growth prospects, financial position, value and earnings potential of the Company and/or the Group. Such review or comments remain the responsibility of the Directors although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this Letter. The opinion set forth herein is based solely on publicly available information as well as information provided by the Company, and is predicated upon the economic and market conditions prevailing as at the Latest Practicable Date. This Letter therefore does not reflect any projections on the future financial performance of the Company and/or the Group.

We have not been requested or authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to the Shares. In that regard, we have not addressed the relative merits of the Proposed Selective Capital Reduction in comparison with any alternative transaction that the Company may consider in the future. Therefore, we do not express any views in these areas in arriving at our recommendation.

In formulating our opinion and recommendation, we have held discussions with the Directors and the management of the Company (“**Management**”) and have relied to a considerable extent on the information set out in the Circular, other public information collated by us and the information, representations, opinions, facts and statements provided to us, whether written or verbal, by the Company and its other professional advisers. Whilst care has been exercised in reviewing the information we have relied upon, we have not independently verified the information both written and verbal and accordingly cannot and do not make any representation or warranty, expressly or impliedly,

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in respect of, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information. We nonetheless have made reasonable enquiries and exercised our judgement on the reasonable use of such information and have found no reason to doubt the accuracy or reliability of such information.

We have not made an independent evaluation or appraisal of the assets and liabilities of the Company and/or the Group (including without limitation, property, plant and equipment).

The Company's latest financial year is for the 12-month period ended 31 March 2021 ("FY2021"). For the purpose of the financial reporting for the audited financial statements for FY2021 and in connection with the Proposed Selective Capital Reduction, the Company had commissioned the independent valuer, AVA Associates Limited ("**AVA**" or "**Valuer**") to provide an independent valuation of the Group's investment in a joint venture, namely HUH Broadband Communications Co., Ltd. ("**HUH**") and its 2 wholly-owned subsidiaries, HNC Company Limited ("**HNC**") and Beijing China Satcom Unified Network Systems Technology Co., Ltd. ("**BUN**") ("**Target Group**") as a cash-generating unit ("**CGU**") as at 31 March 2021. AVA had prepared its valuation report dated 16 July 2021 ("**Valuation Report**"), a copy of which is attached as Appendix G to the Circular. HUH also has 2 other subsidiaries namely, HUH Company Limited ("**HCL**") and Belt and Road Broadband Satellite Company Limited ("**BRB**"), which are dormant. As such, HCL and BRB were excluded from the valuation exercise by the Valuer.

We are not experts in the valuation or appraisal of the assets concerned, and for the purposes of evaluating and assessing the financial terms of the Proposed Selective Capital Reduction, we have taken into account, *inter alia*, the independent valuation by the Valuer for such appraisal and we have not made any independent verification on the contents thereof.

The information we have relied on in the assessment of the Proposed Selective Capital Reduction is based on market, economic, industry, monetary and other conditions prevailing as at the Latest Practicable Date, which may change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion or assumptions in light of any subsequent development after the Latest Practicable Date that may affect our opinion or assumptions contained herein. Shareholders should take note of any announcements relevant to their consideration of the Proposed Selective Capital Reduction which may be released by the Company after the Latest Practicable Date.

In rendering our advice and giving our recommendation, we have not had regard to the specific investment objectives, financial situation, risk profiles, tax position or needs and constraints of any Shareholder. As each Shareholder may have different investment profiles and objectives, we advise the Directors to recommend that any Participating Shareholder who may require specific advice in relation to his investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

The Company has been advised by its own professional advisers in the preparation of the Circular (other than this Letter). We have had no role or involvement and have not and will not provide any advice (financial or otherwise) in the preparation of the Circular (other than this Letter and the portions of the Circular containing our advice (including, without limitation, Section 2.17 (Advice of the IFA in relation to the Selective Capital Reduction) and Appendix A (IFA Letter) of the Circular)). Accordingly, we take no responsibility for and express no views, whether expressed or implied, on the contents of the Circular (other than this Letter and the portions of the Circular containing our advice (including, without limitation, Section 14 (Advice of the IFA in relation to the Selective Capital Reduction) and Appendix A (IFA Letter) of the Circular)).

Whilst a copy of this Letter may be reproduced in the Circular, neither the Company, the Directors nor any Shareholder may reproduce, disseminate or quote this Letter (or any part thereof) for any

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other purposes, other than for the purposes of the EGM and the Proposed Selective Capital Reduction, at any time and in any manner, without the prior written consent of Provenance Capital in each specific case.

We have prepared this Letter as required under Rule 1309(2) of the Listing Manual as well as addressed this Letter to the Independent Directors for their benefit and deliberation of the Proposed Selective Capital Reduction as an Exit Offer pursuant to the Directed Delisting by the SGX-ST. The recommendations made to the Shareholders in relation to the Proposed Selective Capital Reduction shall remain the responsibility of the Independent Directors.

Our recommendation to the Independent Directors in relation to the Proposed Selective Capital Reduction should be considered in the context of the entirety of this Letter and the Circular.

Responsibility Statement by the Directors

The Directors have confirmed that, having made all reasonable enquiries and to the best of their respective knowledge and belief, information and representations provided to us by the Company are accurate. They have also confirmed, that, upon making all reasonable enquiries and to their best knowledge and belief, all material information available to them in connection with the Proposed Selective Capital Reduction, the Company and the Group have been disclosed to us, that such information is true, complete and accurate in all material respects and there is no other material information or fact, the omission of which would cause any information disclosed to us or the facts of or in relation to the Proposed Selective Capital Reduction to be inaccurate, incomplete or misleading in any material respect. The Directors have jointly and severally accepted full responsibility for such information described herein.

3. PROPOSED SELECTIVE CAPITAL REDUCTION

The detailed terms and conditions of the Proposed Selective Capital Reduction are set out in paragraph 2 of the Circular. The key terms of the Proposed Selective Capital Reduction are set out below for your reference.

3.1 Overview

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S\$145.6 million comprising 6,424,735,828 Shares in issue and 24,200,000 treasury shares. Of the total number of issued Shares (excluding treasury shares), the Controlling Shareholders own 1,676,097,000 Shares (26.09%) and the balance 4,748,638,828 Shares are held by Participating Shareholders (73.91%), which includes the 384,800,220 Settlement Shares. The Company is deemed interested in the Settlement Shares by virtue of the Settlement Deed. Further details are set out in paragraph 2.11.3 of the Circular and Section 5.4 of this Letter.

The Proposed Selective Capital Reduction involves the cancellation of all the 4,748,638,828 Participating Shares held by Participating Shareholders, and in consideration thereof, Participating Shareholders will be paid S\$0.00155 in cash for each Participating Share, pursuant to Section 78G of the Companies Act. The total consideration payable to the Participating Shareholders would amount to S\$7,360,390.18 ("**Cash Distribution**").

For the avoidance of doubt, the Participating Shares include the 384,800,220 Settlement Shares which are held under custody for the benefit of the Company pursuant to the Settlement Deed, as defined and detailed in Section 5.4 of this Letter.

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The Proposed Selective Capital Reduction does not include the treasury shares held by the Company. The Company also does not have any outstanding instruments that are exercisable or convertible into any new Shares.

Upon the completion of the Proposed Selective Capital Reduction, the issued share capital of the Company of S\$145.6 million comprising 6,424,735,828 Shares in issue and 24,200,000 treasury shares will be reduced by S\$7.4 million to S\$138.3 million comprising (a) 1,676,097,000 issued Shares which will continue to be held by the Controlling Shareholders and (b) 24,200,000 treasury shares.

3.2 Cash Distribution and Escrow Account

The Cash Distribution amount of S\$7.4 million payable to Participating Shareholders will be funded from the cash balances of the Company held in escrow as explained below.

As at 31 March 2021, the Group had cash balances of S\$13.63 million and was deemed a “Cash Company” on 18 May 2018 pursuant to Rule 1018 of the Listing Manual and is required to *inter alia* place at least 90% of its cash balances in an escrow account with an approved bank. The amount in the escrow account cannot be drawn down except for the purposes of making the Exit Offer.

Presently, the Company is arranging for S\$12.05 million of the cash balances to be placed in an escrow account with DBS Bank Ltd. (“**DBS Bank**”) as the escrow agent. The S\$12.05 million represents 90% of the Group’s cash balances of S\$13.39 million as at 31 May 2021 as disclosed in the Company’s monthly valuation of the Group’s assets and utilisation of cash as at 31 May 2021.

It is intended for the Proposed Selective Capital Reduction as an Exit Offer in compliance with the Directed Delisting. Hence, upon obtaining the necessary approvals for the Proposed Selective Capital Reduction, the monies in the escrow account will be released for the Cash Distribution.

Crowe Horwath Capital Pte. Ltd. (“**Crowe Horwath**”), who was appointed as the Financial Adviser to the Company solely for the purpose of providing the cash confirmation, has confirmed that sufficient financial resources are available to the Company to fund the payment of the aggregate Cash Distribution which will be returned to the Participating Shareholders if the Selective Capital Reduction becomes effective.

The Company intends to appoint Mr Mahtani Bhagwandas, Mr Lee Chia Sin and Mr Chan Tzun (Zeng Shun) as authorised signatories to the escrow account. Mr Mahtani Bhagwandas and Mr Lee Chia Sin are independent directors of the Company, and Mr Chan Tzun (Zeng Shun) is the Chief Executive Officer of Crowe Horwath. Pursuant to the terms of the Company’s cash escrow agreement with DBS Bank, the approval of all three authorised signatories is required before any withdrawal from the escrow account can be made. The Company will update Shareholders in due course via SGXNet on further developments concerning its escrow arrangement.

3.3 Process of the Proposed Selective Capital Reduction

Pursuant to Section 78G of the Companies Act, the Proposed Selective Capital Reduction requires:

- (a) the special resolution to be passed by the Participating Shareholders approving the Proposed Selective Capital Reduction. Such special resolution requires the approval of a majority of at least 75% of all Participating Shares held by Participating Shareholders present and voting at the EGM; and
- (b) the approval and confirmation of the Proposed Selective Capital Reduction by the High Court of the Republic of Singapore (“**Court**”).

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Upon an order of the Court being made approving the Proposed Selective Capital Reduction (“**Court Order**”), the Proposed Selective Capital Reduction will take effect upon the lodgement of a copy of the Court Order, together with the other documents as prescribed under the Companies Act, with the Registrar of Companies of Singapore (“**Registrar**”) within 90 days from the date of the Court Order, or within such longer period as the Registrar may allow (“**Effective Date**”).

The Controlling Shareholders and parties acting in concert with them (including Mdm Sri Tjintawati Hartanto) will be required to abstain from voting on the special resolution on the Proposed Selective Capital Reduction at the EGM. Mdm Sri Tjintawati Hartanto holds 2,203,000 Shares, representing 0.03% of the issued share capital of the Company as at the Latest Practicable Date.

For the avoidance of doubt, notwithstanding her familial relationship with Mr Hady Hartanto, Mdm Sri Tjintawati Hartanto is not prohibited from participating in the Proposed Selective Capital Reduction as a Participating Shareholder although she will abstain from voting on the aforesaid special resolution.

Participating Shareholders whose Shares are registered in the Register of Members as at the record date (to be determined by the Company) will be paid their entitlements to the Cash Distribution within 7 business days from the Effective Date.

Please refer to the indicative timetable for the Proposed Selective Capital Reduction as set out on page 10 of the Circular.

3.4 Exemptions by the SIC

The SIC has exempted the Proposed Selective Capital Reduction from Rules 14, 15, 16, 17, Note 1(b) on Rule 19, 20.1, 21, 22, 28, 29 and 33.2 of the Code subject to the following conditions:

- (a) the Controlling Shareholders and their concert parties abstain from voting on the Proposed Selective Capital Reduction;
- (b) the Directors who are presumed to be acting in concert with the Controlling Shareholders abstain from making a recommendation on the Proposed Selective Capital Reduction to the Participating Shareholders; and
- (c) the Company appoints an IFA to advise the Participating Shareholders on the Proposed Selective Capital Reduction.

The SIC has ruled that Mdm Sri Tjintawati Hartanto will be exempt from the requirement to make a recommendation on the Proposed Selective Capital Reduction to Participating Shareholders as she would face an irreconcilable conflict of interest in view of her familial relationship with the Controlling Shareholders. She must, nonetheless, still assume responsibility for the accuracy and facts stated in the Circular.

3.5 No irrevocable undertakings received to-date

As at the Latest Practicable Date, none of the Controlling Shareholders, parties acting in concert with the Controlling Shareholders and/or the Company has received any irrevocable undertaking from any Participating Shareholder to vote in favour of the Proposed Selective Capital Reduction.

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4. RATIONALE FOR THE PROPOSED SELECTIVE CAPITAL REDUCTION AND INTENTIONS FOR THE COMPANY

4.1 Rationale for the Proposed Selective Capital Reduction

The full text of the rationale for the Proposed Selective Capital Reduction is set out in paragraph 2.8 of the Circular and is extracted below for your reference.

"The Selective Capital Reduction is a corporate exercise that is proposed by the Company for the Participating Shareholders to have an opportunity to fully exit their investment in the Shares in return for cash. Following the suspension of trading of the Shares on 9 a.m. on 3 January 2020, the Company understands that it has become difficult for the Participating Shareholders to exit their investment in the Shares given the lack of a public market for the Shares.

If the Participating Shareholders do not approve the Selective Capital Reduction, there is no assurance that the Company will be able to arrange another undertaking or opportunity in the future for them to realise the value of their Shares.

If the Participating Shareholders do not approve the Selective Capital Reduction, there is no guarantee that another opportunity will arise in the future for them to realise the value of their Shares and when the Company is delisted, the Shareholders would be shareholders in an unlisted public company."

In the letter to Shareholders set out in the latest annual report of the Company for FY2021 issued on 14 August 2021, the Company had also mentioned the rationale for the Proposed Selective Capital Reduction as follows:

"As the shareholdings of the Company are fragmented, no single major shareholder is in a position to offer a buy-out. It will also become difficult for shareholders to realise their investment following the delisting, given the lack of public market for the Company's shares.

Therefore in view of the shareholders' best interests, the Board has determined that the Selective Capital Reduction would be a viable and more efficient exit proposal. The Board will seek the approval of the shareholders of the Company for the Selective Capital Reduction at an Extraordinary General Meeting of the Company to be convened."

As disclosed in the annual report of the Company for FY2021, as at 30 July 2021, the Company has 10,710 Shareholders and approximately 67.92% of the Shares are held by the public.

4.2 Intentions for the Company

The full text of the Controlling Shareholders' intentions relating to the Company and its employees is set out in paragraph 2.10.1 of the Circular under the caption "The Controlling Shareholders' Future Plans" and is extracted below for your reference.

"The Controlling Shareholders currently intend for the Company to continue with its existing business. Save as disclosed in this Circular and in publicly available information on the Controlling Shareholders, the Controlling Shareholders currently have no intention to (i) introduce any major changes to the business of the Company or any other Group Company, (ii) re-deploy the fixed assets of any Group Company, (iii) affect the operations of any Group Company or (iv) discontinue the employment of the existing employees of any Group Company, in each case, other than in the ordinary and usual course of the business.

Nonetheless, the Controlling Shareholders retain the flexibility at any time to consider any options or opportunities in relation to the Group which may present themselves and which they may regard to be in the interests of the Group."

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5. INFORMATION ON THE COMPANY AND THE GROUP

5.1 Company

The Company was incorporated in Singapore and listed on the Mainboard of the SGX-ST. It was formerly known as Next-Generation Satellite Communications Limited before it assumed its present name on 5 December 2017.

The Company was placed on the Watch-List on 3 December 2008 and trading of the Shares was suspended on 3 January 2020 and will remain suspended until the completion of the Exit Offer pursuant to the Directed Delisting from the SGX-ST, following which the Company will be officially delisted from the SGX-ST.

The Company has been unable to source for a reasonable cash exit offer from its Controlling Shareholders or any other party. The Directors have also considered the possible alternatives which may provide Shareholders a viable exit alternative, including undertaking a voluntary winding-up. However, after considering the typical timeline to complete a voluntary winding-up, the Directors determined that the Proposed Selective Capital Reduction would be a more viable and efficient exit proposal for Shareholders.

The Company has also sought and, on 8 June 2021, obtained confirmation from the Controlling Shareholders that they have no objection to the Company undertaking the Proposed Selective Capital Reduction, provided that (i) the price per Participating Share is not higher than S\$0.00155, taking into consideration the cash amount in the Company and the amount of cash the Company would need to continue operations post-delisting, and (ii) the Proposed Selective Capital Reduction is completed by 30 November 2021. In relation to point (ii), the Controlling Shareholders noted the current status of the Proposed Selective Capital Reduction, and that the EGM for the Proposed Selective Capital Reduction will be held before 30 November 2021.

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S\$145,622,960 comprising 6,424,735,828 issued Shares and 24,200,000 treasury shares. The Company does not have any outstanding instruments convertible into, rights to subscribe for, warrants, options (whether pursuant to an employee share option scheme or otherwise) or derivatives in respect of securities which carry voting rights of the Company.

The Shares were last transacted at S\$0.001 on 2 January 2020, prior to the trading suspension of the Shares on 3 January 2020. Based on the consideration for the Proposed Selective Capital Reduction at S\$0.00155 for each Participating Share and 6,424,735,828 issued Shares as at the Latest Practicable Date, the implied market capitalisation of the Company is approximately S\$10.0 million.

As at the Latest Practicable Date, Mr Hady Hartanto and TPG are deemed Controlling Shareholders, holding in total 1,676,097,000 Shares, representing 26.09% of the issued share capital of the Company. TPG is indirectly wholly owned by Mr Hady Hartanto.

5.2 Directors

As at the Latest Practicable Date, the Directors are:

- (a) Dr Michael Kuan-Chi Sun (Executive Director)
- (b) Mdm Sri Tjintawati Hartanto (Non-Executive Non-Independent Director)
- (c) Mdm Wang Xiaozheng (Non-Executive Non-Independent Director)
- (d) Mr Lee Chia Sin (Independent Director) (*recently appointed on 26 April 2021*)
- (e) Mr Mahtani Bhagwandas (Independent Director) (*recently appointed on 8 May 2021*)

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Although a Controlling Shareholder, Mr Hady Hartanto is not a Director. His sister, Mdm Sri Tjintawati Hartanto, is a Non-Executive Non-Independent Director. For the purposes of the Proposed Selective Capital Reduction, she is deemed to be acting in concert with the Controlling Shareholders, and hence will abstain from recommending and voting on the special resolution for the Proposed Selective Capital Reduction. The SIC had, on 2 July 2021, ruled, *inter alia*, that Mdm Sri Tjintawati Hartanto is exempted from the requirement of making a recommendation to the Participating Shareholders on the Proposed Selective Capital Reduction as she faces an irreconcilable conflict of interest in view of her familial relationship with the Controlling Shareholder.

Notwithstanding the above, Mdm Sri Tjintawati Hartanto is not prohibited from participating in the Proposed Selective Capital Reduction as a Participating Shareholder.

The Company has confirmed that the remaining Directors, namely Dr Michael Kuan-Chi Sun, Mdm Wang Xiaozheng, Mr Lee Chia Sin and Mr Mahtani Bhagwandas are considered as Independent Directors for the purposes of the Proposed Selective Capital Reduction.

The Directors' shareholding interests in the Company are set out in the table below:

Name	Total Interests	
	No. of Shares	%
Dr Michael Kuan-Chi Sun	9,000,000	0.14
Mdm Sri Tjintawati Hartanto	2,203,000	0.03
Mdm Wang Xiaozheng	-	-
Mr Lee Chia Sin	-	-
Mr Mahtani Bhagwandas	3,000	negligible

5.3 Business activities

In the annual report of the Company for FY2021, the Group is described to have only one business segment, which is the building, operating and leasing of base station controllers for USO, provision of data centre and connectivity services, and other satellite communication related sales and services, and this business segment is carried out by the Group's joint venture.

The Group's main investment in joint ventures is its investment in HUH. For the financial year ended 31 March 2020 ("**FY2020**"), the investment in joint ventures was carried in the books at S\$22.7 million as at 31 March 2020. For the half year ended 30 September 2020 ("**1HFY2021**"), following the recognition of impairment losses, the investment in joint ventures was recorded as NIL as at 30 September 2020. For FY2021, the investment in joint ventures continued to be recorded as NIL as at 31 March 2021.

Since FY2017, the Group has no sources of revenue, and had not recorded any revenue for the last 3 financial years from FY2019 to FY2021. Please see further details in Section 6.3.1 of this Letter.

5.4 Settlement Shares

Background

In brief, a dispute had arisen between the Company on the one part, and Ban Joo Investment (Pte) Ltd ("**BJI**") and Chin Pang Joo @ Ivan Lam Pang Joo on the other part ("**Relevant Persons**") in relation to certain outstanding amount owing by BJI to the Company. On 20 February 2017, parties entered into a Deed of Settlement, which served as a full and final settlement of all existing or future claims as between the parties in relation to the relevant disputes ("**Settlement Deed**"). Pursuant to the Settlement Deed, the parties agreed that the Company will receive the economic and monetary rights and benefits, and is entitled to the voting rights, in respect of 384,800,220 Shares ("**Settlement**

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Shares"). The Settlement Shares are currently held with The Central Depository (Pte) Limited under the names of the respective Relevant Persons (or on their behalf by a nominee), and ZICO Trust (S) Ltd. ("**Zico Trust**") is the current custodian of the Company in respect of the Settlement Shares.

Pursuant to the Settlement Deed, the Company is entitled *inter alia*:

- to have full control in respect of the economic rights and benefits of the Settlement Shares and to deal with the Settlement Shares in such manner as it deems fit;
- to the right to vote, participate in future proceeds arising from the sale, disposal and realisation of the Settlement Shares together with the rights to be entitled to dividends, distributions, bonuses, monetary rights and other economic rights and benefits accrued thereon from the sale or disposal of the Settlement Shares; and
- to sell or dispose of the Settlement Shares or any part thereof at such time or times and in such manner and for such consideration as the Company may think fit in its sole and absolute discretion.

Pursuant to the custodian agreement dated 17 February 2017 and the deed of novation dated 8 March 2019, the custodian will act solely on the instructions of the Company with respect to the Settlement Shares, including exercising the voting rights in relation to these shares.

The Company confirmed that thus far it has not given any instructions on the manner of voting on the Settlement Shares. In addition, Zico Trust confirmed that it has not received or executed any instruction from the Company or BJI on the manner of voting on the Settlement Shares.

The Settlement Shares are registered with the Central Depository (Pte) Ltd under the following names:

- (a) 380,000,000 Shares held by UOB Kay Hian Pte Ltd;
- (b) 4,799,887 Shares held by BJI; and
- (c) 333 Shares held by third party, Chin Pang Joo @ Ivan Lam Pang Joo.

These Settlement Shares are issued and paid-up shares of the Company and form part of the issued share capital of the Company comprising 6,424,735,828 (excluding treasury shares).

As disclosed in the annual report of the Company for FY2021, BJI was disclosed as having a deemed interest in 384,799,887 Shares held through a nominee account, representing 5.99% of the issued share capital of the Company.

As set out in paragraph 2.11.3 of the Circular, the Company is deemed to be interested in the Settlement Shares by virtue of the Settlement Deed.

Proposed Selective Capital Reduction

The Company has confirmed that none of the Settlement Shares have been sold or transferred to a third party. As the Company has full economic rights and benefits to the Settlement Shares, any proceeds from the sale of the Settlement Shares or distribution entitlement of the Settlement Shares (including the Cash Distribution in relation to the Proposed Selective Capital Reduction) belongs to the Company. Based on the Cash Distribution of S\$0.00155 per Participating Share, the amount of Cash Distribution entitled to the Settlement Shares is S\$596,440.34.

The Company intends for the above Cash Distribution to be retained for the benefit of the Company, to defray and pay for its on-going expenses, as the Company presently has no substantial sources of revenue.

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Please see Section 6.3.4 of this Letter on the estimated expenses to be incurred by the Company up to the expected date of completion of the Proposed Selective Capital Reduction.

The Settlement Shares will, as with the rest of the Participating Shares, be cancelled as a result of the Proposed Selective Capital Reduction.

To avoid any potential conflict of interest, the Company will abstain from giving any instructions on the voting of the Settlement Shares in relation to the resolution on the Proposed Selective Capital at the EGM, even though the Settlement Shares form part of the Participating Shares for the Proposed Selective Capital Reduction.

Additional information on the Company and the Group is set out in Appendix E to the Circular, and details on the Settlement Shares are set out in paragraph 2.11.3 of the Circular.

6. ASSESSMENT OF THE FINANCIAL TERMS OF THE PROPOSED SELECTIVE CAPITAL REDUCTION

In evaluating and assessing the financial terms of the Proposed Selective Capital Reduction, we have taken into account the pertinent factors set out below which we consider to have a significant bearing on our assessment:

- (a) Proposed Selective Capital Reduction as an Exit Offer;
- (b) Market quotation and trading activity of the Shares prior to its trading suspension;
- (c) Financial analysis of the Group;
- (d) Comparison with exit offers of companies pursuant to directed delisting by the SGX-ST;
- (e) Dividend track record of the Company;
- (f) Assessment of the estimated value range of the Shares; and
- (g) Other relevant considerations.

6.1 Proposed Selective Capital Reduction as an Exit Offer

Exit offer

In a typical exit offer in connection with a delisting of a company from the SGX-ST, the offeror, who is usually beneficially owned by the controlling shareholder, will make a general takeover offer for all the remaining shares held by minority shareholders of the company at an offer price in cash. Such exit offer price must be opined by an IFA to be both fair and reasonable. On the assumption of receipt of a very high level of acceptance by minority shareholders for the offer, the offeror will then be able to compulsorily acquire all the remaining shares from minority shareholders who have not accepted the offer, and thereafter privatise the company and delist the company from the SGX-ST.

In effect, together with the compulsory acquisition, **all** minority shareholders will realise their investments in the company for cash at the offer price for each share which is opined by the IFA to be both fair and reasonable. The company will then be wholly owned by the offeror.

Purely as an illustration, if the offeror had owned 26% (S\$260) of the company valued at S\$1,000 (comprising substantially cash) and borrowed S\$740 from a bank to fund the offer to acquire the remaining 74% of the company from minority shareholders, and after completion of the compulsory

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acquisition and privatisation of the company, subsequently draw down the cash balances of the company to repay the bank, the offeror would end up owning 100% of a pared down company of S\$260, which is the offeror's 26% share of the value of the company before the compulsory acquisition and privatisation of the company.

Proposed Selective Capital Reduction

In the case of the Company, the Controlling Shareholders had informed the Company that they were not able to make the exit offer but would, subject to certain conditions, be supportive of a delisting offer by way of a selective capital reduction on certain price parameters, which was later confirmed to be at S\$0.00155 for each Share in cash.

On 11 July 2021, the Company announced the definitive terms of the Proposed Selective Capital Reduction with the intentions to achieve the objective and effect of an Exit Offer, at a price which would be considered as both fair and reasonable by the IFA.

As set out in Section 3 of this Letter, the Proposed Selective Capital Reduction involves the selective cancellation of the Participating Shares held by Participating Shareholders i.e. minority Shareholders other than the Controlling Shareholders, and in consideration thereof, the payment of S\$0.00155 in cash for each Participating Share. The cash consideration payable to the Participating Shareholders is funded from the Company's bank balances, which will reduce the net asset value of the Company. The Proposed Selective Capital Reduction requires, *inter alia*, the passing of a special resolution by Participating Shareholders at an EGM and approval by the Court for it to take effect. Upon the Proposed Selective Capital Reduction becoming effective, all the Participating Shares held by the Participating Shareholders will be cancelled and the only remaining Shares will be those held by the Controlling Shareholders. Thereafter, the pared down Company will be privatised and delisted from the SGX-ST.

In effect, upon the Proposed Selective Capital Reduction becoming effective, **all** Participating Shareholders will realise their investments in the Company for cash based on the consideration for each Participating Share, which is opined by the IFA to be both fair and reasonable. The pared down Company will then be wholly owned by the Controlling Shareholders.

Purely for illustration purposes, in the same example above of a company valued at S\$1,000 (comprising substantially cash) which is owned 26% by the controlling shareholder, upon the selective capital reduction becoming effective, the shares of the minority shareholders owning 74% of the company will be cancelled and cash of S\$740 is drawn from the company for such payment. The controlling shareholder will end up owning 100% of a pared down company of S\$260, which is the offeror's 26% share of the value of the company before the selective capital reduction.

Hence, following from the above, we are of the view that the Proposed Selective Capital Reduction is a viable exit alternative as it achieves the objective and effect of an Exit Offer to minority Shareholders for the purposes of the Directed Delisting.

6.2 Market quotation and trading activity of the Shares prior to its trading suspension

Trading of the Shares was suspended on 3 January 2020 ("**Suspension Date**") pending the completion of an Exit Offer, after which the Shares will be officially delisted from the SGX-ST in accordance with the Delisting Notification. Approximately 1½ years later, on 11 July 2021, the Company announced the definitive terms of the Proposed Selective Capital Reduction.

For the purposes of analysing the Share price performance, we have therefore compared the consideration for the Proposed Selective Capital Reduction against the historical market price performance of the Shares and considered the historical trading volume of the Shares for the last 1-

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year period from 3 January 2019 to 2 January 2020, being the 1-year period prior to the Suspension Date (“**Period Under Review**”).

Market Statistics

Selected statistical information on the price performance and trading liquidity of the Shares for the Period Under Review is summarised in the table below:

Reference period	Highest traded price (S\$)	Lowest traded price (S\$)	VWAP ⁽¹⁾ (S\$)	Premium/ (Discount) of the Cash Distribution over/(to) VWAP (%)	Number of traded days ⁽²⁾	Average daily trading volume ⁽³⁾ ('000)	Average daily trading volume as a percentage of free float ⁽⁴⁾ (%)
<u>Prior to the Suspension Date on 3 January 2020</u>							
Last 1 year	0.002	0.001	0.00101	53.0	110	93	0.002
Last 6 months	0.002	0.001	0.00100	55.0	24	52	0.001
Last 3 months	0.001	0.001	0.00100	55.0	5	65	0.001
Last 1 month	0.001	0.001	0.00100	55.0	2	62	0.001

Source: Bloomberg L.P.

Notes:

- (1) The volume weighted average price (“**VWAP**”) for the respective periods are calculated based the aggregate daily turnover value of the Shares divided by the aggregate daily trading volume of the Shares for the respective periods as extracted from Bloomberg L.P.. Off market transactions are excluded from the calculation;
- (2) Traded days refer to the number of days on which the Shares were traded on the SGX-ST during the period;
- (3) The average daily trading volume of the Shares is computed based on the total volume of Shares traded on the SGX-ST (excluding off market transactions) during the relevant periods, divided by the number of days when the SGX-ST was open for trading (excluding days with full day trading halt/suspension on the Shares) during that period; and
- (4) Free float refers to the Shares other than those directly and deemed held by the Directors and substantial Shareholders. For the purpose of computing the average daily trading volume as a percentage of free float, we have used the free float of approximately 4,625.81 million Shares based on the free float of approximately 72% as disclosed in the annual report of the Company for FY2020.

We observe the following regarding the price performance and trading liquidity of the Shares for the Period Under Review:

- (a) during the Period Under Review, the Shares had traded at between S\$0.001 and S\$0.002, S\$0.001 being the minimum bid price for trading of shares below S\$0.20 each on the SGX-ST. As the absolute trading price of the Shares is at or close to the minimum bid price, the consideration for the Proposed Selective Capital Reduction of S\$0.00155 per Participating Share therefore represents a significant premium of S\$0.00055 (or 55.0%) above the lowest transacted Share price and a significant discount of S\$0.00045 (or 22.5%) to the highest transacted Share price;
- (b) more significantly is that for the 1-month period prior to the Suspension Date, the Shares were traded only on 2 days, and for the 3-month period prior to the Suspension Date, the Shares were traded only on 5 days, and these Shares were all transacted at S\$0.001 each; and
- (c) overall, during the Period Under Review, daily trading liquidity of the Shares was very low, with 100 Shares on a trading day generally traded at S\$0.002 each while volume traded on the

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Shares at S\$0.001 each can vary significantly from 100 Shares to 4,389,900 Shares on a trading day on sporadic trading.

The trading performance of the Shares during the Period Under Review is quite dated as trading of the Shares has been suspended for approximately 22 months since 3 January 2020 to the Latest Practicable Date, and will remain so until the completion of the Exit Offer in accordance with the Delisting Notification from the SGX-ST. Hence, the observations on these out-dated historical trading performances of the Shares may not be meaningful in comparing with the consideration for the Proposed Selective Capital Reduction, although these are the only observable market data on the Shares.

On a longer look-back period, we observed that the Shares had been traded at similar prices of between S\$0.001 and S\$0.002 since November 2017 until the Suspension Date.

6.3 Financial analysis of the Group

6.3.1 Financial performance of the Group

Set out below are the salient information on the financial performance of the Group for the last 3 financial years ended 31 March ("FY") for FY2019, FY2020 and FY2021:

Table 1 – as disclosed by the Company

	← Audited →		
S\$'000	FY2019	FY2020	FY2021
Revenue	-	-	-
Gross profit	-	-	-
Other income	2,435	21,550	2,898
(Loss)/Profit for the year attributable to owners of the Company	588	19,761	(24,050)

Source: Company's annual reports for FY2020 and FY2021

We have also analysed the financial performance of the Group without the impact of significant one-off items. After excluding the significant one-off gains and reversal of impairment charges, the adjusted financial results of the Group for the last 3 financial years are as follows:

Table 2 – after adjustments

S\$'000	FY2019	FY2020	FY2021
(Loss)/Profit for the year attributable to owners of the Company	588	19,761	(24,050)
Less: Gain on disposal of subsidiary	-	(2,723)	(1,362)
Less: Reversal of impairment loss in investment in joint venture	(2,050)	(18,215)	-
Add: Impairment loss on investment in joint venture	-	-	24,069
Adjusted loss for the year	(1,462)	(1,177)	(1,343)

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FY2019 vs FY2020

The Group did not record any revenue or gross profit for FY2019 and FY2020. The Company had disclosed in its annual report for FY2020 that no revenue was generated as the Group's interest income from its convertible notes had ceased following its redemption on 2 November 2016. Hence, since FY2017, the Group had no sources of revenue.

In FY2020, the Group recorded other income of S\$21.6 million which comprised mainly gain on disposal of subsidiaries amounting to S\$2.7 million and reversal of impairment loss in joint venture amounting to S\$18.2 million due to the higher carrying value of the investment in the joint venture in FY2020. In comparison, for FY2019, other income of S\$2.4 million was due mainly to reversal of impairment loss in joint venture of S\$2.1 million. The above joint venture refers to HUH.

As a result, the Group recorded a profit for the year attributable to owners of the Company of S\$19.8 million in FY2020 compared to a profit S\$0.6 million in FY2019.

However, after excluding significant one-off items in FY2019 and FY2020 as set out in Table 2 above, the Group would have incurred an adjusted loss for the year of S\$1.5 million and S\$1.2 million for FY2019 and FY2020 respectively.

FY2021 vs FY2020

The Group also did not record any revenue or gross profit for FY2021.

The Group recorded a much smaller other income of S\$2.9 million which was due mainly to gain on disposal of subsidiary amounting to S\$1.4 million and foreign exchange gain of \$1.4 million, whereas in FY2020, other income was due mainly to the reversal of impairment loss in joint venture amounting to S\$18.2 million as disclosed above.

In FY2021, the Group recorded other expenses of S\$24.0 million due mainly to an impairment loss on investment in joint venture amounting to S\$24.1 million.

As a result, the Group incurred a loss for the year attributable to owners of the Company of S\$24.1 million in FY2021 as compared to a profit of S\$19.8 million in FY2020.

However, after excluding significant one-off items in FY2020 and FY2021 as set out in Table 2 above, the Group would have incurred an adjusted loss for the year of S\$1.2 million and S\$1.3 million for FY2020 and FY2021 respectively.

Investment in the joint venture, HUH

In connection with the interim results announcement of the Group for 1HFY2021, the financial results of the Group were audited by the Company's auditors, Messrs RT LLP. It was stated therein that the auditors' report is addressed solely to the Board of Directors of the Company and not to the members and included an extract of the "Basis for Qualified Opinion" in Section 3 of the results announcement for 1HFY2021. In brief, the Basis for Qualified Opinion was in relation to the possibility of liabilities that may bear on the Group's subsidiary in connection with the joint venture in HUH pursuant to the shareholder's agreement among the joint venture partners in HUH ("**Shareholder's Agreement**"). The potential liability is in relation to the Group's 55% share of the shareholders' loan to HUH amounting to S\$2.37 million (based on US\$1.76 million) pursuant to the call for shareholders' loan under the Shareholder's Agreement.

During 1HFY2021, the Company had commissioned an independent valuation of HUH using value-in-use basis, and the Group's investment in HUH was deemed to have no commercial value.

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Accordingly, the Group had recognised an impairment loss of S\$21.7 million in the joint venture in 1HFY2021.

In the unaudited results of the Group for FY2021, the Company had included in other payables and accruals the amount of S\$2.37 million (based on US\$1.76 million) in relation to its 55% share of the shareholders' loan to HUH and a corresponding other receivable for the same amount, which was fully expensed off as provision for doubtful debts. The unaudited loss attributable to equity holders of the Company was S\$24.108 million.

The above accounting treatment was varied in the audited financial statements of the Group for FY2021. As disclosed in Note 11 of the audited financial statements of the Group for FY2021, based on the enforceability of the above loan through the Shareholder's Agreement, the loan (which was previously recorded as other receivable in the unaudited results) was capitalised as investment in HUH, which resulted in the total investment in HUH of S\$24.1 million, and the entire investment amount was fully impaired as an expense in the audited profit and loss statement of the Group for FY2021. The audited loss attributable to equity holders of the Company was S\$24.050 million.

We note that there does not appear to have any material financial impact on the audited loss attributable to equity holders of the Company due to the variation in the accounting treatment of the above loan.

As disclosed in the annual report of the Company for FY2021, Messrs RT LLP has given notice that they will not be seeking re-appointment as auditors of the Company.

Please see further details on HUH and the independent valuation of the Target Group in Section 6.3.3 of this Letter.

Historical price-earnings ratio ("PER") implied by the consideration for the Proposed Selective Capital Reduction

In our evaluation of the consideration for the Proposed Selective Capital Reduction, we have considered the earnings approach in the valuation of the Shares as implied by such consideration as one of the relevant valuation approaches. A commonly used earnings approach is the historical PER implied by the consideration.

PER illustrates the valuation ratio of the current market value of a company's shares relative to its consolidated basic earnings per share as stated in its financial statements. The PER is affected by, *inter alia*, the capital structure of a company, its tax position as well as its accounting policies relating to depreciation and intangible assets. The historical PER is commonly used for the purpose of illustrating the profitability and hence the valuation of a company as a going concern.

As shown above, the Group does not have any significant business activities and had reported yearly adjusted losses for FY2019, FY2020 and FY2021 (i.e. after excluding significant one-off items). Hence, assessment of the valuation of the Company (implied by the consideration for the Proposed Selective Capital Reduction) which is based on the historical earnings approach is not meaningful.

6.3.2 Financial position of the Group

The latest audited statement of financial position of the Group as at 31 March 2021 is as follows:

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S\$'000	Audited as at 31 March 2021
Non-current assets	
Property, plant and equipment	240
Current assets	
Other receivables, deposits and prepayments	268
Cash and bank balances	13,631
	13,899
Total assets	14,139
Current liabilities	
Other payables and accruals	3,691
Lease liability	92
Income tax payable	1
	3,784
Non-current liabilities	
Lease liability	155
Total liabilities	3,939
Total equity	
Share capital	145,623
Treasury shares	(1,219)
Capital reserve	(169)
Settlement shares	(1,140)
Currency translation reserve	(303)
Accumulated losses	(132,513)
Equity attributable to owners of the Company	10,279
Non-controlling Interests	(79)
Total equity	10,200

Net asset value ("NAV") / net tangible asset ("NTA")	S\$10,279,000
Number of issued Shares (excluding treasury shares)	6,424,735,828
NAV/NTA per Share	S\$0.001600

Source: Company's annual report for FY2021

The Group had total assets of S\$14.14 million comprising mainly cash and bank balances of S\$13.63 million (representing 96.4% of total assets).

The Group had total liabilities of S\$3.94 million comprising mainly other payables and accruals of S\$3.69 million (representing 93.7% of total liabilities):

- Included in other payables and accruals is the provision for an amount due to the joint venture, HUH, amounting to S\$2.37 million (based on US\$1.76 million), also mentioned in Section 6.3.1 above. The provision was made based on the demand letter issued to China UnifiedNet Holdings Limited ("CUH") for the advance of its proportionate share of shareholders' loan amounting to US\$1.76 million, to its 55%-owned joint venture in HUH. Details in connection with the demand letter are set out in paragraph 11 of Appendix E to the Circular.

The Group's 55% interest in HUH is held through the Company's wholly-owned intermediate holding company, CUH. Both the Company and CUH had sought independent legal advice and based on the advice obtained, there is a high likelihood that these liabilities may bear on CUH. Hence, on grounds of prudence and conservatism, the Group had made the above provision. The Company also explained that the other joint venture partner, which holds 45%

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interest in HUH, had already paid in full its share of the shareholders' loan to HUH pursuant to the call for shareholders' loan under the Shareholder's Agreement.

- Other payables and accruals also include provision for directors' fees of S\$0.78 million, out of which S\$253K relates to directors' fees for FY2021 which have been fully paid as at the Latest Practicable Date.

Equity attributable to owners of the Company was S\$10.28 million comprising mainly issued and paid-up share capital of S\$145.62 million less (a) accumulated losses of S\$132.51 million, (b) Settlement Shares of S\$1.14 million and (c) other negative reserves totalling S\$1.69 million.

As set out in Section 5.4 of this Letter, the Settlement Shares arose from the settlement of amount owing by BJI to the Company which was previously accounted for in the statement of financial position of the Group as other receivables. Following the Settlement Deed, the Settlement Shares were reclassified as a negative amount in the equity section in the statement of financial position of the Group, and Management had valued the 380 million Settlement Shares at S\$1.14 million based on its Share price of S\$0.003 on 17 February 2017.

The negative amount of the Settlement Shares has the effect of reducing the equity attributable to the holders of the Company.

NAV per Share as at 31 March 2021 was S\$0.001600 based on NAV of the Group of S\$10.28 million and 6,424,735,828 issued Shares as at 31 March 2021. As the Group does not have any intangible assets, its NAV per Share is the same as its NTA per Share.

"Cash Company" status pursuant to Rule 1018 of the Listing Manual

As mentioned in Section 6.3.1 above, the Group had fully impaired its investment in the joint venture, HUH, during 1HFY2021 based on the value-in-use of the joint venture which was deemed to have no commercial value.

For the purpose of financial reporting for FY2021 and in connection with the Proposed Selective Capital Reduction, the Company had commissioned the Valuer to carry out an independent assessment of the valuation of the Target Group as at 31 March 2021. The Valuer had opined that the recoverable amount for the Target Group is reasonably stated at NIL. Please see further details on information on the HUH and the independent valuation of the Target Group in Section 6.3.3 below.

As a result, as at 31 March 2021, the net assets of the Group had comprised mainly cash balances of S\$13.63 million.

On 25 May 2021, the Company announced that pursuant to the notice of compliance from the SGX-ST dated 18 May 2021, the Company is deemed a Cash Company with immediate effect. Accordingly, pursuant to Rule 1018 of the Listing Manual, the Company must:

- (a) place at least 90% of its cash (including existing cash balance and the consideration arising from any disposals) in an account opened with and operated by an escrow agent, which is part of any financial institution licensed and approved by the Monetary Authority of Singapore. The amount that is placed in the escrow account cannot be drawn down except for the purpose of making the exit offer to shareholders; and
- (b) provide a monthly valuation of the Group's assets and utilisation of cash via SGXNET.

In this regard, as set out in Section 3.2 of this Letter, the Company is presently arranging to place S\$12.05 million, representing 90% of the Group's cash balances of S\$13.39 million as at 31 May

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2021, in an escrow account with DBS Bank, and since 25 May 2021 to the Latest Practicable Date, the Company had also provided statements of the monthly valuation of the Group's assets and utilisation of cash via SGXNET for May, June and July 2021.

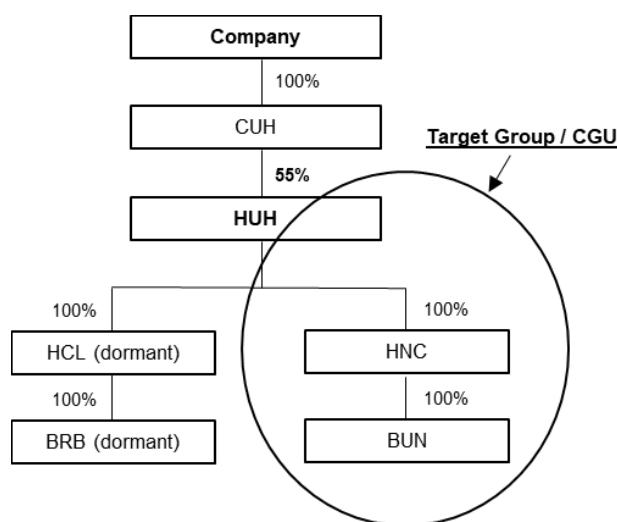
Net assets and cash balances as at 31 July 2021

Based on the Company's latest announcement on 30 September 2021 on the monthly valuation of the Group's assets and utilisation of cash, the net assets and cash balances of the Group as at 31 July 2021 were S\$9.54 million and S\$13.16 million respectively. After excluding non-controlling interest of negative amount of S\$82K, the NAV of the Group would be S\$9.62 million as at 31 July 2021. The NAV per Share had declined from S\$0.001600 as at 31 March 2021 to S\$0.001497 as at 31 July 2021.

6.3.3 HUH and the independent valuation of the Target Group

HUH

The Company, through its wholly-owned subsidiary, CUH, has a 55% interest in HUH which in turn has 2 wholly-owned operating subsidiaries and 2 wholly-owned subsidiaries which are dormant, as shown in the group structure below:



HUH is a company incorporated in Hong Kong, whose principal activities are investment holding and trading of satellite communication system devices. HUH's 4 wholly-owned subsidiaries are as follows:

- (a) HNC – a company incorporated in the PRC, with principal activities in the development of internet and satellite communication system technology and trading in satellite communication system devices. HNC is the exclusive distributor for Greater China region for Huges Network Systems LLC ("HNS"). HNS, incorporated in the USA, is the world's largest satellite communications equipment manufacturer and service provider. HNC sells satellite communication equipment solutions (using core technology and products of HNS) to its customers in the Greater China region and provides broadband satellite services in the PRC;
- (b) BUN – a company incorporated in the PRC, with principal activities in the development of internet and computer technology;
- (c) HCL – a company incorporated in Hong Kong, with principal activities in trading in satellite communication system devices. HCL is dormant as at the Valuation Date; and

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- (d) BRB - a company incorporated in Cayman Islands, with principal activities in trading in satellite communication system devices. BRB is dormant as at the Valuation Date.

HUH is owned 55% by the Group and 45% by HCH Group Company Limited (“HCH”). Management has disclosed to us that the Controlling Shareholder, Mr Hady Hartanto, has an indirect interest of 12.5% in HCH, and his son has a 5% shareholding interest in an entity which has an indirect interest of 75% in HCH. Mr Hady Hartanto’s deemed effective interest in HUH, together with his son’s interest, is therefore approximately 7.3%. In addition, Mr Hady Hartanto is a director of both HUH and HCH.

The Group had invested in the 55% interest in HUH in April 2011 for S\$52.13 million. Since then, the Company had made certain impairment losses on its investment in HUH as well as reversal of some of these impairment losses over the years. As at 30 September 2020, the Group’s investment in HUH was fully impaired in view of various uncertainties, funding issues and the impact of the global health pandemic in 2020, and based on an independent valuer’s opinion that there was no commercial value to the business of HUH as a CGU as at 30 September 2020.

The independent valuer who had carried out the valuation of HUH for the purpose of the financial reporting for 1HFY2021 is a different and separate valuer from the current Valuer who had been commissioned to perform a valuation on the Target Group for the purposes of the financial reporting for FY2021 and the Proposed Selective Capital Reduction.

Independent Valuation

For the purpose of financial reporting for FY2021 and in connection with the Proposed Selective Capital Reduction, the Company had commissioned AVA, as the independent Valuer, to carry out an independent valuation of the Target Group comprising HUH and the 2 wholly-owned operating subsidiaries, as a CGU, as at 31 March 2021 (“**Valuation Date**”). Hence, the 2 wholly-owned dormant subsidiaries were excluded from the above valuation exercise. A copy of the Valuation Report is attached as Appendix G to the Circular.

Definition of Value

For financial reporting purposes, AVA, as the Valuer, had assessed the recoverable amount of the Target Group as a CGU in accordance with SFRS(I) 1-36, which defines a CGU as “*the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.*”

In estimating the value of the Target Group as a CGU, the Valuer had considered the common valuation methodologies - income approach, market approach and cost approach, and had selected the value-in-use (“**VIU**”) as the premise of value which is defined as “*the present value of future cash flows expected to be derived from an asset or cash-generating unit.*”

The Valuer had stated that VIU necessitates the adoption of the income approach, using a discounted cash flow analysis on the future cash flows to derive a net present value as the VIU. The future cash inflows and outflows are derived from continuing use of the existing asset or CGU in its current condition. CUH’s share of the shareholders’ loan of S\$2.37 million to be provided to the Target Group will not be sufficient to turn around the operation as the Target Group is forecasted to record operating losses in 2021 and 2022. Furthermore, the Target Group is expected to require additional equity injection if it is to be a viable business.

A summary of the current conditions of the Target Group is as follows:

- as a CGU, it is unable to tender for or procure significant new project due to a lack of funds,
- existing contracts do not produce sufficient cash inflows,

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- current cash outflows are needed to maintain the core operation,
- existing shareholders are unable to inject new funds into the CGU, and
- other sources of funds may be limited as the CGU's main assets are intangibles such as its exclusive distribution agreement with HNS and its business network of customers and suppliers.

As at the Valuation Date, the Target Group is in a net liability position, relying on loans from related parties to finance its deficit and working capital requirements in recent years. Post the Valuation Date, on 18 May 2021, the Company received the notice of compliance from the SGX-ST to place at least 90% of its cash with an escrow agent for the purpose of making an exit offer to its Shareholders. This further restricts any financing from the Group to the Target Group.

Accordingly, based on the Valuer's analysis and assessment, they are of the opinion that the recoverable amount for the Target Group as the CGU, in its existing state as of the Valuation Date, as represented by its VIU, is reasonably stated at NIL.

For the purpose of the Proposed Selective Capital Reduction as an Exit Offer pursuant to the Directed Delisting, the Valuer is of the opinion that VIU can also be a suitable reference of value for that purpose, as it requires an analysis of the future cash flows of the Target Group and indicates the value that can be realized from the Company continuing to operate the business of the Target Group in its present condition as at the Valuation Date.

Please refer to the details of the valuation of the Target Group in the Valuation Report attached as Appendix G to the Circular.

6.3.4 Estimated financial position of the Group at the expected date of completion of the Proposed Selective Capital Reduction

As disclosed in Sections 3.2 and 6.3.2 of this Letter, the Company is presently arranging to place S\$12.05 million, representing 90% of the Group's cash balances of S\$13.39 million as at 31 May 2021, in an escrow account with DBS Bank. The monies held under escrow cannot be drawn down except for the purposes of making the Exit Offer i.e. the Cash Distribution.

Based on the consideration for the Proposed Selective Capital Reduction, the Cash Distribution amount is S\$7,360,390.18. As such, the cash amount of S\$12.05 million to be placed in the escrow account will be sufficient to pay for the Cash Distribution in full. In addition, Crowe Horwath has confirmed that sufficient financial resources are available to the Company to fund the payment of the aggregate Cash Distribution to the Participating Shareholders if the Proposed Selective Capital Reduction becomes effective.

Based on the Company's latest announcement on 30 September 2021 on the monthly valuation of the Group's assets and utilisation of cash, the net assets of the Group was S\$9.54 million as at 31 July 2021. After excluding equity attributable to non-controlling interests of negative S\$82K as provided by Management, the NAV of the Group would be S\$9.62 million as at 31 July 2021.

The NAV and cash balances of the Group had declined from S\$10.28 million and S\$13.63 million respectively as at 31 March 2021, to S\$9.54 million and S\$13.16 million respectively as at 31 July 2021.

Management has expressed that the Group presently does not have any revenue generating activities or material sources of income. Therefore, as the Group continues with its existing business and as a listed entity, and with no substantial sources of income, Management expects to continue to incur administrative and other operating expenses such as staff costs, rental expenses, directors' fees, etc. Under present circumstances, Management expects the Group to incur monthly expenses of approximately S\$55K.

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As set out in the indicative timetable for the Proposed Selective Capital Reduction on page 10 of the Circular, the expected effective date of the Proposed Selective Capital Reduction is on or about January 2022. On the assumption that the Proposed Selective Capital Reduction is completed by end of December 2021, based on the estimated monthly expenses to be incurred for the next 5 months from 1 August 2021 until December 2021, and on the premise that the Group has no substantial sources of income, the NAV of the Group is expected to decline further by S\$275K. In addition to the above, Management had estimated *ad-hoc* costs of approximately \$300K to be incurred in relation to further expenses arising from corporate activities of the Group including the Proposed Selective Capital Reduction and delisting exercise. These costs relate mainly to professional fees and printing costs.

As stated in Section 5.4 of this Letter, the Company intends to retain the entitlement of the Cash Distribution to the Settlement Shares amounting to S\$596K for the benefit the Company to defray and pay for its on-going expenses, as presently the Company has no sources of revenue.

Set out below is a summary of the computation of the estimated NAV of the Group on the assumption that the Proposed Selective Capital Reduction will be completed by the end of December 2021:

	Total amount (S\$'000)	Per Share ⁽¹⁾ (S\$)
Unaudited NAV of the Group as at 31 July 2021	9,621	0.001497
Add: Entitlement of Cash Distribution on the Settlement Shares to be retained by the Company	596 ⁽²⁾	
Sub-total	10,217	0.001590
Less: Estimated monthly expenses of S\$55K for the next 5 months from August to December 2021	(275)	
Less: Estimated <i>ad hoc</i> costs to be incurred in relation to further expenses for the Proposed Selective Capital Reduction and delisting exercise	(300)	
Estimated NAV as at 31 December 2021	9,642	0.001501

Notes:

(1) based on 6,424,735,828 issued Shares (excluding treasury shares); and

(2) based on S\$0.00155 per Participating Share on the 384,800,220 Settlement Shares.

Price-to-NAV ("P/NAV") ratio of the Group implied by the consideration for the Proposed Selective Capital Reduction

The NAV based valuation provides an estimate of the value of a company assuming the hypothetical sale of all its assets over a reasonable period and would be more relevant for asset-based companies or where the subject company intends to realise or convert the uses of all or most of its assets. Such a valuation approach would be particularly appropriate when applied in circumstances where the business is to cease operations or where the profitability of the business being valued is not sufficient to sustain an earnings-based valuation.

As the Group has no significant business activities and its NAV comprises substantially cash, the net asset backing approach, which shows the extent to which a company's value is backed by its net assets, is appropriate in assessing the valuation of the Group implied by the consideration for the Proposed Selective Capital Reduction.

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Based on the NAV per Share of S\$0.001497 as at 31 July 2021, the consideration for the Proposed Selective Capital Reduction of S\$0.00155 per Participating Share represents a P/NAV ratio of 1.035 times, which is at a slight premium above the NAV per Share as at 31 July 2021.

The Company estimates total costs and expenses of S\$575K to be incurred from 1 August 2021 until end of December 2021, on the assumption that the Proposed Selective Capital Reduction can be completed by then. The retention of the Cash Distribution entitlement to the Settlement Shares of S\$596K will help to defray these costs and expenses. Hence, the estimated NAV per Share as at 31 December 2021 is expected to be S\$0.001501. The consideration for the Proposed Selective Capital Reduction represents a P/NAV ratio of 1.033 times which is still at a slight premium above the estimated NAV per Share as at 31 December 2021.

Confirmation by the Company

In our evaluation of the financial terms of the Proposed Selective Capital Reduction, we have also considered whether there is any other asset which should be valued at an amount that is materially different from that which was recorded in the statement of financial position of the Group as at 31 March 2021, and whether there are factors which have not been otherwise disclosed in the financial statements of the Group that are likely to impact the NAV of the Group as at 31 March 2021.

In respect of the above, we have sought the following confirmation from the Directors and the Management, and they have confirmed to us that as at the Latest Practicable Date, to the best of their knowledge and belief, and save as disclosed by the Company including announcements made by the Company since 31 March 2021 to the Latest Practicable Date:

- (a) there are no material differences between the realisable values of the Group's assets and their respective book values as at 31 March 2021 which would have a material impact on the NAV or NTA of the Group;
- (b) other than those already provided for or disclosed in the results announcement of Group as at 31 March 2021, there are no other contingent liabilities, bad or doubtful debts or material events which are likely to have a material impact on the NAV of the Group as at the Latest Practicable Date;
- (c) there are no litigation, claim or proceeding pending or threatened against the Company or any of its subsidiaries or of any fact likely to give rise to any proceeding which might materially and adversely affect the financial position of the Company and its subsidiaries taken as a whole;
- (d) there are no intangible assets which ought to be disclosed in the statement of financial position of the Group in accordance with the Singapore Financial Reporting Standards (International) and which have not been so disclosed and where such intangible assets would have had a material impact on the overall financial position of the Group; and
- (e) there are no material acquisitions or disposals of assets by the Group between 31 March 2021 and the Latest Practicable Date, and the Group does not have any plans for any such impending material acquisition or disposal of assets, conversion of the use of its material assets or material changes in the nature of the Group's business.

6.4 Comparison with exit offers of companies pursuant to directed delisting by the SGX-ST

The Proposed Selective Capital Reduction serves as an Exit Offer pursuant to the Directed Delisting by the SGX-ST and to comply with Rule 1309 of the Listing Manual. Therefore, in our assessment of the terms of the Proposed Selective Capital Reduction, we have attempted to compare this with:

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- (a) exit offers of companies which had received similar directed delisting notifications from the SGX-ST; and
- (b) selective capital reduction as an exit offer alternative in similar SGX-ST directed delisting exercises,

collectively “**Precedent Directed Delisting Transactions**”.

Based on our observations, there are 9 Precedent Directed Delisting Transactions since 2015 to the Latest Practicable Date, 8 of which were carried out by way of exit offers and one by way of selective capital reduction.

Of the exit offers, 6 have become unconditional while 2 had lapsed as these exit offers did not become unconditional in all respects by the close of the respective exit offers. Notwithstanding that the exit offers had lapsed, these companies were delisted from the SGX-ST pursuant to the conditions of the Directed Delisting.

Our analysis of the Precedent Directed Delisting Transactions serves as a general indication of the relevant premium/discount that the offerors had paid in order to provide a reasonable exit offer to the Shareholders without having regard to their specific industry characteristics or other considerations, and the comparison sets out the premium or discount represented by each of the respective offer prices to the last transacted prices and VWAPs over the 1-month and 3-month periods prior to the trading suspension of the shares.

We also wish to highlight that the target companies listed in the Precedent Directed Delisting Transactions as set out in the analysis below may not be directly comparable to the Group in terms of market capitalisation, size of operations, composition of business activities, asset base, geographical spread, track record, operating and financial leverage, risk profile, liquidity, accounting policies, prospects and other relevant criteria. Each transaction must be judged on its own commercial and financial merits. The premium or discount that an offeror pays in any particular Precedent Directed Delisting Transaction varies in different specific circumstances depending on, *inter alia*, factors such as the intention of the offeror, the potential synergy the offeror can gain by acquiring the target company, the prevailing market conditions and sentiments, attractiveness and profitability of the target company's business and assets, the possibility of a significant revaluation of the assets to be acquired, the availability of substantial cash reserves, the liquidity in the trading of the target company's shares, the presence or absence of competing bids for the target company, and the existing and desired level of control in the target company. The list of the Precedent Directed Delisting Transactions is by no means exhaustive and as such any comparison made only serves as an illustration. Conclusions drawn from the comparisons made may not necessarily reflect the perceived or implied market valuation of the Company.

Name of company	Sector	Date of exit offer announcement/ date of trading suspension	Premium/(Discount) of offer price over/(to)			
			Last transacted price prior to trading suspension (%)	1 month VWAP prior to trading suspension (%)	3 month VWAP prior to trading suspension (%)	P/NTA (times)
Exit Offers						
Yong Xin International Holdings Ltd.	Manufacturing and distribution of steel strips and other types of metal strips	30 April 2015/ 6 April 2015	(27.3)	(33.3)	(38.5)	0.2
TexChem-Pack Holdings (S) Ltd. ("TexChem-Pack")	Sale of thermoformed packaging products, precision injection moulded plastic products, etc	5 August 2015/ 7 April 2014	16.7	20.4	22.5	0.7

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Name of company	Sector	Date of exit offer announcement/ date of trading suspension	Premium/(Discount) of offer price over/(to)				
			Last transacted price prior to trading suspension (%)	1 month VWAP prior to trading suspension (%)	3 month VWAP prior to trading suspension (%)	P/NTA (times)	
Pacific Healthcare Holdings Ltd ("Pacific Healthcare") ⁽³⁾	Integrated healthcare provider offering specialist medical care, dentistry and general practice medicine	26 April 2016/ 6 July 2015	(85.7)	(91.7)	(91.7)	N.A. ⁽²⁾	
China Hongcheng Holdings Limited	Manufactures cotton yarn and grey fabrics	15 July 2016/ 2 October 2015	(32.5)	35.0	(61.4)	N.A. ⁽²⁾	
Europtronic Group Ltd ("Europtronic") ⁽³⁾	Trading and distribution of passive and active electronic components	7 November 2017/ 4 April 2016	(98.0) ⁽¹⁾	(98.2) ⁽¹⁾	(98.7) ⁽¹⁾	N.A. ⁽²⁾	
China GaoXian Fibre Fabric Holdings Ltd ("China GaoXian")	Manufacture of premium differentiated fine polyester yarn and fabric	7 November 2019/ 3 April 2019	916.7 ⁽⁵⁾	510.0 ⁽⁵⁾	408.3 ⁽⁵⁾	N.A. ⁽²⁾	
Huan Hsin Holdings Ltd	Integrated contract manufacturer of telecommunications and electronic products	29 April 2020/ 21 January 2019	14.3	137.9	110.2	N.A. ⁽²⁾	
Lafe Corporation Limited ("Lafe")	Principally in property agency, appraisal and consultancy services	27 May 2020/ 4 July 2019	160.9 ⁽¹⁾	160.9 ⁽¹⁾	125.0 ⁽¹⁾	0.3	
Selective Capital Reduction							
PSL Holdings Limited ("PSL") ⁽⁶⁾	Construction logistic and marine logistic business activities	8 July 2021/ 20 July 2020	304.5 ⁽¹⁾⁽⁵⁾	414.3 ⁽¹⁾⁽⁵⁾	510.2 ⁽¹⁾⁽⁵⁾	0.8	
High			916.7	510.0	510.2	0.8	
Low			(98.0)	(98.2)	(98.7)	0.2	
Mean			(7.4)	18.7	(4.7)	0.5	
Median			(27.3)	20.4	(38.5)	0.5	
Company (implied by the consideration for the Proposed Selective Capital Reduction)			11 July 2021/ 3 January 2020	55.0 ⁽⁴⁾	55.0 ⁽⁴⁾	55.0 ⁽⁴⁾	1.0 ⁽⁴⁾

Source: SGX-ST announcements, circulars or exit offer letters to shareholders in relation to the respective Precedent Directed Delisting Transactions

Notes:

- (1) Generally, the offer price premium/(discount) were computed based on the last transacted price prior to the trading suspension of the shares of these companies. However, in the case of Europtronic, Lafe and PSL, the offer price premium/(discount) were computed based on the respective last transacted prices prior to the announcements of the delisting notification on these companies which were issued approximately one month prior to the trading suspension of the shares;
- (2) N.A. means not applicable as these companies were in net tangible liabilities ("NTL") position;
- (3) The exit offers for Pacific Healthcare and Europtronic had lapsed as these offers did not become unconditional by the close of the offers;
- (4) Based on the Company's last transacted Share price of S\$0.001 on 2 January 2020 prior to the Suspension Date, and audited NAV per Share as at 31 March 2021;
- (5) Excluded as statistical outlier in the mean and median computations; and

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- (6) The consideration for the selective capital reduction was announced on 8 July 2021 and the selective capital reduction was approved by shareholders of PSL at its EGM on 30 July 2021.

As mentioned above, there are 9 Precedent Directed Delisting Transactions since 2015 to the Latest Practicable Date. The shares of these companies were suspended from trading some time before the announcement of the exit offer and several of them were in negative NTA position i.e. NTL position, at the time of the announcement of the exit offer. In addition, those companies which were in NTA position had borrowings which exceeded their cash balances, with the exception of PSL with a positive net cash balance (as PSL has no borrowings) which was sufficient to support its selective capital reduction exercise.

In the case of the Company, the Company had announced the Delisting Notification on 3 December 2019 and its Shares were suspended from trading with effect from 3 January 2020. On 18 August 2020, the SGX-ST notified the Company definitively that it will not consider any proposal or application from the Company which requests for any time extension to exit the Watch-List. On 25 May 2021, the Company announced that the Company is deemed a “Cash Company” pursuant to Rule 1018 of the Listing Manual. On 11 July 2021, the Company announced the definitive terms of the Proposed Selective Capital Reduction.

Our observations

- (a) The upper and lower end of the range of the offer price premium/(discount) to the market prices of these Precedent Directed Delisting Transactions are very wide, ranging from a discount of 98.7% to a premium of 916.7%, which therefore does not serve as any meaningful comparison for the purpose of the Proposed Selective Capital Reduction. In particular, the offer price premium of China GaoXian was between 408.3% and 916.7% above its historical market prices for the relevant periods, and the offer price premium for the selective capital reduction of PSL was between 304.5% and 510.2% above its historical market prices for the relevant periods.

Excluding China GaoXian and PSL, the mean and median of the offer price premium/(discount) statistics are between a discount of 38.5% to and a premium of 20.4% above the market share prices.

In comparison, the offer price premium of 55.0% for the Proposed Selective Capital Reduction is within the range and higher than the mean and median offer price premium of the Precedent Directed Delisting Transactions. It is to be noted that the Shares were traded at the minimum bid price of S\$0.001 on the SGX-ST for the relevant periods and in view of the low absolute market Share price, the consideration of S\$0.00155 for the Proposed Selective Capital Reduction would result in a high offer price premium of 55%.

- (b) As mentioned above, several of the companies listed in the Precedent Directed Delisting Transactions were in NTL position. The companies which were in NTA position had borrowings exceeding their cash balances and the P/NTA ratio of these companies ranged from 0.2 times to 0.7 times, with the exception of PSL which is in a NTA position and with a positive net cash balance (as it has no borrowings) sufficient to support its selective capital reduction. The P/NTA ratio of PSL was 0.8 times.

In comparison, the P/NAV ratio of the Company of 0.97 times as at 31 March 2021 is close to 1.0 time as the Company is substantially a “Cash Company”. Based on the Company’s latest NAV position as at 31 July 2021 of S\$0.001497, the Consideration for the Proposed Selective Capital Reduction of S\$0.00155 per Participating Share represents a P/NAV ratio of 1.035 times, which is at a slight premium above the NAV per Share as at 31 July 2021.

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6.5 Dividend track record of the Company

The Company had not declared or paid any dividends to its Shareholders for the last 15 years, since the Company's last declaration of dividend in respect of its financial year ended 30 June 2005. In addition, the Company had been placed on the Watch-List since 3 December 2008 and had not been able to remove itself from the Watch-List.

6.6 Assessment of the estimated value range of the Shares

In Sections 6.1 to 6.4 above, we have taken into account various key factors in evaluating the financial terms of the Proposed Selective Capital Reduction, in particular, the consideration of S\$0.00155 for each Participating Share.

In assessing the estimated valuation of the Shares, we have evaluated the appropriateness of the valuation methodologies used for valuing the Shares. We are of the view that an asset-backed valuation is a more appropriate valuation approach for valuing the Shares as the Group has no significant business activities, the investment in joint venture is stated at NIL as at 31 March 2021 (which has been fully impaired since 30 September 2020) and the Group's NAV comprises substantially cash. Based on available information as at the Latest Practicable Date, the NAV per Share is S\$0.001497 as at 31 July 2021.

The Company is entitled to the Cash Distribution on the Settlement Shares of S\$596K pursuant to Proposed Selective Capital Reduction, as the Company has full economic benefits to these Settlement Shares. At this juncture, the estimated NAV per Share would be S\$0.001590 before taking into account any on-going expenses to be incurred by the Company and the Company has no substantial sources of income.

It is the intention of the Company to retain the entitlement of the Cash Distribution for the Settlement Shares to defray and pay for most of these on-going expenses. On the assumption that the Proposed Selective Capital Reduction is completed by the end of December 2021, total costs and expenses are estimated to be S\$575K. Accordingly, the estimated NAV per Share is expected to be S\$0.001501 as set out in Section 6.3.4 of this Letter.

We note that the NAV position of the Group is likely to deteriorate further, the longer the Company takes to complete the Proposed Selective Capital Reduction exercise as it continues to incur expenses given that it has no substantial sources of income.

Hence, we are of the opinion that overall, on balance, the consideration of S\$0.00155 for each Participating Share is both fair and reasonable, as the consideration is above our estimated value range of the Shares of between S\$0.001497 and S\$0.001501, on the assumption that the Proposed Selective Capital Reduction is completed by the end of December 2021.

6.7 Other relevant considerations

6.7.1 Directed Delisting

The Proposed Selective Capital Reduction serves as an Exit Offer in compliance with the Delisting Notification from the SGX-ST. It is therefore important to note that **delisting of the Company will proceed regardless of the outcome of the Proposed Selective Capital Reduction.**

In the event that the Proposed Selective Capital Reduction becomes effective, the 4,748,638,828 Shares owned by Participating Shareholders will be cancelled and the Company will thereafter be wholly owned by the Controlling Shareholders.

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If the Proposed Selective Capital Reduction is not duly approved by Participating Shareholders at the EGM, the Proposed Selective Capital Reduction will not become effective and Participating Shareholders will not receive the Cash Distribution and will continue to hold the Shares in the Company as a public unlisted company as the Company will be officially delisted from the SGX-ST. In addition, there is no assurance that the Company will be able to arrange another undertaking or opportunity in the future for them to realise the value of their Shares.

It is pertinent to note that upon the Proposed Selective Capital Reduction becoming effective, it will apply to all Participating Shareholders, whether they have attended or voted at the EGM, and if they had attended and voted, whether they have voted in favour of the Proposed Selective Capital Reduction.

Shareholders should also note that apart from Shareholders' approval of the Proposed Selective Capital Reduction, Shareholders' approval is not separately required for the Directed Delisting by the SGX-ST pursuant to the Delisting Notification.

6.7.2 Absence of alternative or competing firm offers

As set out in paragraph 2.1.2 of the Circular, the Company has been unable to source for a reasonable cash exit offer from its Controlling Shareholders or any other party. The Directors have also considered the possible alternatives which may provide Shareholders a viable exit alternative, including undertaking a voluntary winding-up. However, after considering the typical timeline to complete a voluntary winding-up, the Directors determined that the Proposed Selective Capital Reduction would be a more viable and efficient exit proposal for Shareholders.

The Directors have confirmed that, as at the Latest Practicable Date, apart from the Proposed Selective Capital Reduction being proposed by the Company, the Company has not received any other firm offers in respect of the Shares.

We note that, as at the Latest Practicable Date, the Proposed Selective Capital Reduction represents the only firm exit offer to Shareholders to monetise their Shares.

6.7.3 Special resolution required for the Proposed Selective Capital Reduction

The Proposed Selective Capital Reduction requires, *inter alia*, the approval of the independent Shareholders by way of a special resolution where:

- (a) the Controlling Shareholders and parties acting in concert with them are required to abstain from voting on it; and
- (b) a majority of at least 75% of the Participating Shares held by Participating Shareholders present and voting at the EGM, had voted in favour of it. For the avoidance of doubt, the Company will abstain from giving any instructions on the voting of the Settlement Shares at the EGM.

As the Proposed Selective Capital Reduction is to be voted on by a high percentage (75%) of the minority Shareholders, and the Controlling Shareholders and parties acting in concert with them cannot vote, the Proposed Selective Capital Reduction is not prejudicial to the interest of the minority Shareholders.

6.7.4 No transfer of Shares unless approved by the SGX-ST

As the trading of the Shares has been suspended, Participating Shareholders should note that pursuant to Rule 729 of the Listing Manual, there must not be any transfer of the Shares unless

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approved by the SGX-ST. This being so, the Proposed Selective Capital Reduction is presently the only available option to Participating Shareholders who wish to exit their investment in the Company.

7. OUR RECOMMENDATION TO THE INDEPENDENT DIRECTORS ON THE PROPOSED SELECTIVE CAPITAL REDUCTION

In arriving at our recommendation on the Proposed Selective Capital Reduction, we have assessed the financial terms of the Proposed Selective Capital Reduction based on the following key considerations which we consider to be pertinent and may have a significant bearing on our assessment:

- (a) Proposed Selective Capital Reduction as an Exit Offer;
- (b) Market quotation and trading activity of the Shares prior to its trading suspension;
- (c) Financial analysis of the Group;
- (d) Comparison with exit offers of companies pursuant to directed delisting by the SGX-ST;
- (e) Dividend track record of the Company;
- (f) Assessment of the estimated value range of the Shares; and
- (g) Other relevant considerations.

Based on our analysis and after having carefully considered the information available to us as at the Latest Practicable Date, overall, we are of the view that the financial terms of the Proposed Selective Capital Reduction, which serves as a viable Exit Offer pursuant to the Directed Delisting by the SGX-ST, are both fair and reasonable. Accordingly, we advise the Independent Directors to recommend Participating Shareholders to vote in favour of the Proposed Selective Capital Reduction. The Independent Directors should also highlight to Participating Shareholders that the Proposed Selective Capital Reduction, when it becomes effective, will apply to all Participating Shareholders, whether they have attended or voted at the EGM, and if they had attended and voted, whether they have voted in favour of the Proposed Selective Capital Reduction.

As the trading of the Shares has been suspended, Shareholders should note that pursuant to Rule 729 of the Listing Manual, there must not be any transfer of the Shares unless approved by the SGX-ST. This being so, the Proposed Selective Capital Reduction is presently the only available option to Shareholders who wish to exit their investment in the Company.

The Proposed Selective Capital Reduction is conditional upon Shareholders' approval by way of a special resolution at the EGM, and the approval and confirmation of the Proposed Selective Capital Reduction by the Court. In the event that the Proposed Selective Capital Reduction does not become effective, the Directed Delisting will still proceed in view of the Delisting Notification by the SGX-ST. Shareholders should also note that apart from Shareholders' approval of the Proposed Selective Capital Reduction, Shareholders' approval is not separately required for the Directed Delisting by the SGX-ST pursuant to the Delisting Notification.

Our recommendation to the Independent Directors in relation to the Proposed Selective Capital Reduction should be considered in the context of the entirety of this Letter and the Circular.

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In rendering the above advice, we have not given regard to the specific investment objectives, financial situation, tax position, risk profiles or needs and constraints of any individual Shareholder. As each individual Shareholder would have different investment objectives and profiles, we would advise that any individual Shareholder who may require specific advice in relation to his investment objectives or portfolio should consult his legal, financial, tax or other professional adviser immediately. The Independent Directors should advise Shareholders that the opinion and advice of Provenance Capital should not be relied upon by any Shareholder as the sole basis for deciding whether to vote in favour of the Proposed Selective Capital Reduction.

This Letter is required under Rule 1309(2) of the Listing Manual as well as addressed to the Independent Directors for their benefit, in connection with and for the purposes of their consideration of the Proposed Selective Capital Reduction and may not be used or relied on for any other purposes (other than for the purposes of the Proposed Selective Capital Reduction and the EGM) without the prior written consent of Provenance Capital. The recommendation to be made by the Independent Directors to Shareholders in respect of the Proposed Selective Capital Reduction shall remain the responsibility of the Independent Directors.

This Letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
PROVENANCE CAPITAL PTE. LTD.

Wong Bee Eng
Chief Executive Officer

APPENDIX B

ADDITIONAL INFORMATION ON THE CONTROLLING SHAREHOLDERS

TELEMEDIA PACIFIC GROUP LIMITED

1. DIRECTOR

The name, address and description of the director of TPG as at the Latest Practicable Date are as follows:

Name	Address	Designation
Hady Hartanto	Unit K1,22/F, MG Tower, 133 Hoi Bun Road, Kwun Tong, Hong Kong	Director

2. PRINCIPAL ACTIVITIES

TPG is a private company limited by shares incorporated in the British Virgin Islands on 2 June 2008. It is an investment holding company.

3. SHARES

As at the Latest Practicable Date, TPG has an issued and paid-up share capital of US\$30,000,000 divided into 30,000,000 shares, none of which is held in treasury.

4. FINANCIAL INFORMATION

4.1 Income Statement and Balance Sheet

TPG is incorporated in the British Virgin Islands and not required under the laws of the British Virgin Islands to prepare audited financial statements. However, TPG had engaged Shing Tak CPA Limited (the “**TPG Auditor**”) to conduct an audit of its financial statements for the financial years ended 31 December 2018 (“**TPG FY2018**”), 31 December 2019 (“**TPG FY2019**”) and 31 December 2020 (“**TPG FY2020**”).

A summary of TPG’s audited income statement for its financial years ended 31 December 2020, 31 December 2019 and 31 December 2018 is set out below.

	TPG FY2020 (US\$)	TPG FY2019 (US\$)	TPG FY2018 (US\$)
Turnover	-	-	-
Other income	494	1,237	107
Administrative expenses	(3,142,430)	(511,197)	(994,006)
Loss before tax	(3,141,936)	(509,963)	(993,899)
Income tax expense	-	-	-
Loss for the year	(3,141,936)	(509,963)	(993,899)

The earnings per share is not meaningful to TPG, as it is a loss-making company. TPG has not declared any dividends in the past three financial years.

APPENDIX B

ADDITIONAL INFORMATION ON THE CONTROLLING SHAREHOLDERS

A summary of TPG's audited balance sheet for TPG FY2020 is set out below.

	TPG FY2020 (US\$)
Non-current asset	
Investment in an associate	12,415,533
Current assets	
Other receivables	240,397
Deposit	21,111
Amount due from a related company	348,615
Bank balances and cash	5,751
	615,874
Current liabilities	
Accrued expenses	5,129
Amounts due to related companies	2,016,018
	2,021,147
Net Current (Liabilities) Assets	(1,405,273)
Total Assets less Current Liabilities	11,010,260
Non-Current Liabilities	
Shareholder's loan	2,234,512
Net Assets	8,775,748
Capital and Reserves	
Share capital	30,000,000
Accumulated losses	(21,224,252)
Total Equity	8,775,748

4.2 Significant Accounting Policies

As set out in TPG's notes to financial statements for TPG FY2021, The following are specific accounting policies that are necessary for a proper understanding of TPG's financial statements:

Revenue

Revenue is recognised when it is probable that the economic benefits will flow to the Company and when the revenue can be measured reliably, on the following bases:

Interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable.

Income tax expense

Income tax expense represents current tax expense. The income tax payable represents the amounts expected to be paid to the taxation authority, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

APPENDIX B

ADDITIONAL INFORMATION ON THE CONTROLLING SHAREHOLDERS

Deferred tax is not provided.

Investments in subsidiaries

Subsidiaries are entity controlled by the group. Control exists when the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into accounts.

Investments in subsidiaries are included in the statement of financial position at cost less any identified impairment losses.

Impairment of assets

An assessment is made at the end of each reporting period to determine whether there is any indication of impairment or reversal of previous impairment. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognised in the income statement. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortisation or depreciation), had no impairment losses been recognised for the asset in prior years.

Related parties

A party is considered to be related to the Company if:

- (a) the party is a person or a close member of that person's family and 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 Company or of a parent of the Company; or
- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Company are members of the same group;
 - (ii) one entity is an associate or joint venture of the Company (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Company 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 any entity related to the Company;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a); and
 - (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).

APPENDIX B

ADDITIONAL INFORMATION ON THE CONTROLLING SHAREHOLDERS

Foreign currencies

Transactions in foreign currencies are converted at the rates of exchange ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the reporting period. Profits and losses arising on exchange are dealt within the income statement.

4.3 Changes in Accounting Policies

There are no changes in the accounting policies of TPG which will cause the financial statements of TPG not to be comparable to a material extent.

TPG has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2021. The adoption of these standards did not have any effect on the financial performance or position of TPG.

5. MATERIAL CHANGES IN FINANCIAL POSITION OR PROSPECTS

Save as disclosed in this Circular and the audited financial statements of TPG for the financial year ended 31 December 2020 and save for any publicly available information on TPG, as at the Latest Practicable Date, there have been no known material changes in the financial position or prospects of TPG since 31 December 2020, being the date of the last published audited accounts of TPG.

6. REGISTERED OFFICE

The registered office of TPG is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, British Virgin Islands.

7. RESPONSIBILITY STATEMENT

The director of TPG (including any who may have delegated detailed supervision of paragraphs 2.10 and 2.11.2 of the Letter in this Circular and Appendices B, C and D (paragraph 1) to this Circular) has taken all reasonable care to ensure that the facts stated and all opinions expressed in paragraphs 2.10 and 2.11.2 of the Letter and Appendices B, C and D (paragraph 1) to this Circular (other than all facts relating to and opinions expressed by the Company, the IFA and the Financial Adviser) are fair and accurate and that no material facts have been omitted from this Circular, and he accepts responsibility accordingly.

Where any information in paragraphs 2.10 and 2.11.2 of the Letter and Appendices B, C and D (paragraph 1) to this Circular has been extracted or reproduced from published or publicly available sources (other than all facts relating to and opinions expressed by the Company, the IFA and the Financial Adviser), the sole responsibility of the director of TPG has been to ensure, through reasonable enquiries, that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in paragraphs 2.10 and 2.11.2 of the Letter and Appendices B, C and D (paragraph 1) to this Circular.

MR. HADY HARTANTO

Mr. Hady Hartanto is the indirect sole shareholder of TPG, which shares are directly held through Family Unit Foundation Ltd (a trust established for the benefit of Hady Hartanto and his family).

Mr. Hady Hartanto (including any who may have delegated detailed supervision of paragraphs 2.10 and 2.11.2 of the Letter in this Circular and Appendices B, C and D (paragraph 2) to this Circular) has taken all reasonable care to ensure that the facts stated and all opinions expressed in paragraphs 2.10 and 2.11.2 of the Letter and Appendices B, C and D (paragraph 2) to this Circular (other than all facts relating to and opinions expressed by the Company, the IFA and the Financial Adviser) are fair and accurate and that no material facts have been omitted from this Circular, and he accepts responsibility accordingly.

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ADDITIONAL INFORMATION ON THE CONTROLLING SHAREHOLDERS

Where any information in paragraphs 2.10 and 2.11.2 of the Letter and Appendices B, C and D (paragraph 2) to this Circular has been extracted or reproduced from published or publicly available sources (other than all facts relating to and opinions expressed by the Company, the IFA and the Financial Adviser), the sole responsibility of Mr. Hady Hartanto has been to ensure, through reasonable enquiries, that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in paragraphs 2.10 and 2.11.2 of the Letter and Appendices B, C and D (paragraph 2) to this Circular.

APPENDIX C

DISCLOSURES OF HOLDINGS AND DEALINGS IN RELEVANT SECURITIES

1. HOLDINGS OF RELEVANT SECURITIES

As at the Latest Practicable Date, based on (i) the latest information available to the Controlling Shareholders and (ii) responses received pursuant to enquiries made by the Controlling Shareholders, the interests in Shares held by the Controlling Shareholders are set out below. None of the parties acting in concert with the Controlling Shareholders hold any interest in the Shares.

Name	Direct Interest		Total Interest	
	No. of Shares	%	No. of Shares	%
TPG ⁽¹⁾	-	-	1,664,500,000	25.91
Mr. Hady Hartanto ⁽²⁾	-	-	1,676,097,000	26.09

Notes:

- (1) TPG is deemed to have an interest in 1,664,500,000 Shares held through various nominees accounts, out of which 112,500,000 Shares, or 1.75%⁶, are pledged in favour of a third party bank.
- (2) Mr. Hady Hartanto is deemed to have an interest in 11,597,000 Shares held through Messrs Straits Law Practice LLC as nominee and 1,664,500,000 Shares held by TPG by virtue of Section 7 of the Companies Act.

2. DEALINGS IN RELEVANT SECURITIES

During the period commencing three months prior to the Announcement Date and ending on the Latest Practicable Date, based on (i) the latest information available to the Controlling Shareholders and (ii) responses received pursuant to enquiries made by the Controlling Shareholders, none of the Controlling Shareholders nor parties acting in concert with the Controlling Shareholders has dealt for value in the Relevant Securities.

⁶ For purposes of computation, the total issued share capital and total number of issued Shares are based on the total issued share capital and total number of issued Shares as at the Latest Practicable Date, being S\$145,623,000 comprising 6,424,735,828 issued Shares.

APPENDIX D

GENERAL INFORMATION ON THE CONTROLLING SHAREHOLDERS

1. DISCLOSURE OF INTERESTS - TPG

1.1 No Agreement having any Connection with or Dependence upon the Selective Capital Reduction

As at the Latest Practicable Date, there is no agreement, arrangement or understanding between (i) TPG and/or parties acting in concert with TPG and (ii) any of the current or recent directors of the Company or any of the current or recent Shareholders having any connection with or dependence upon the Selective Capital Reduction.

1.2 Transfer of Shares

The Shares held by the Participating Shareholders will be cancelled pursuant to the Selective Capital Reduction. TPG reserves the right to transfer any Shares to any of its related corporations (within the meaning of Section 6 of the Companies Act) or for the purpose of granting security in favour of financial institutions which have extended or shall extend credit facilities to it.

1.3 No Payment or Benefit to Directors of the Company

As at the Latest Practicable Date, there is no agreement, arrangement or understanding between (i) TPG or parties acting in concert with it and (ii) any Director or director of any related corporation of the Company (within the meaning of Section 6 of the Companies Act) for any payment or other benefit to be made or given to such Director or director of any related corporation of the Company as compensation for loss of office or otherwise in connection with the Selective Capital Reduction.

1.4 No Agreement Conditional upon Outcome of the Selective Capital Reduction

As at the Latest Practicable Date, there is no agreement, arrangement or understanding between (i) TPG or parties acting in concert with it; (ii) any of the Directors or parties acting in concert with the Directors; and (iii) any of the Directors, recent directors of the Company, Shareholders or recent shareholders of the Company or any other person having any connection with or dependence upon the outcome of the Selective Capital Reduction or otherwise in connection with the Selective Capital Reduction.

2. DISCLOSURE OF INTERESTS – MR. HADY HARTANTO

2.1 No Agreement having any Connection with or Dependence upon the Selective Capital Reduction

As at the Latest Practicable Date, there is no agreement, arrangement or understanding between (i) Mr. Hady Hartanto and/or parties acting in concert with Mr. Hady Hartanto and (ii) any of the current or recent directors of the Company or any of the current or recent Shareholders having any connection with or dependence upon the Selective Capital Reduction.

2.2 Transfer of Shares

The Shares held by the Participating Shareholders will be cancelled pursuant to the Selective Capital Reduction. Mr. Hady Hartanto reserves the right to transfer any Shares to any of its related corporations (within the meaning of Section 6 of the Companies Act) or for the purpose of granting security in favour of financial institutions which have extended or shall extend credit facilities to him.

2.3 No Payment or Benefit to Directors of the Company

As at the Latest Practicable Date, there is no agreement, arrangement or understanding between (i) Mr. Hady Hartanto or parties acting in concert with him and (ii) any Director or director of any related corporation of the Company (within the meaning of Section 6 of the Companies Act) for any

APPENDIX D

GENERAL INFORMATION ON THE CONTROLLING SHAREHOLDERS

payment or other benefit to be made or given to such Director or director of any related corporation of the Company as compensation for loss of office or otherwise in connection with the Selective Capital Reduction.

2.4 No Agreement Conditional upon Outcome of the Selective Capital Reduction

As at the Latest Practicable Date, there is no agreement, arrangement or understanding between (i) Mr. Hady Hartanto or parties acting in concert with him; (ii) any of the Directors or parties acting in concert with the Directors; and (iii) any of the Directors, recent directors of the Company, Shareholders or recent shareholders of the Company or any other person having any connection with or dependence upon the outcome of the Selective Capital Reduction or otherwise in connection with the Selective Capital Reduction.

APPENDIX E

ADDITIONAL INFORMATION ON THE COMPANY

The following additional information on the Company is disclosed in connection with the Selective Capital Reduction.

1. DIRECTORS

The names, addresses and descriptions of the Directors as at the Latest Practicable Date are as follows:

Name	Description	Address
Dr. Michael Kuan-Chi Sun	Executive Director	8813 Sleepy Holly Lane, Potomac, Maryland 20854, United States of America
Sri Tjintawati Hartanto	Non-Executive Non-Independent Director	Flat C, 9/F Fu Shan Mansion 25 Taikoo Shing Road, Tai Koo Shing, Hong Kong
Wang Xiaozheng	Non-Executive Non-Independent Director	No. 1-2-603, Aodong 18, Chaoyang District, Beijing China
Lee Chia Sin	Independent Director	104 Cowdray Avenue, Serangoon Garden Estate Singapore 558104
Mahtani Bhagwandas	Independent Director	73 Meyer Road #14-03 Hawaii Tower Singapore 437898

2. PRINCIPAL ACTIVITY

The Company's principal activity is in investment holding. It is involved in a diverse range of businesses, including the development of internet and satellite communication system technology and trading in satellite communication system devices, the development of computer technology and the provision of data centre services.

3. REGISTERED OFFICE

The registered office of the Company is at 20 Collyer Quay, #01-02, Singapore 049319.

4. SHARE CAPITAL

4.1 Issued Capital

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S\$145,623,000 comprising 6,424,735,828 Shares in issue and 24,200,000 treasury shares. There is only one class of shares in issue.

4.2 Shares Issued since the End of the Last Financial Year

As at the Latest Practicable Date, no new Shares have been issued by the Company since 31 March 2021, being the end of the last financial year of the Company.

4.3 Rights of Shareholders in respect of Capital, Dividends and Voting

The rights of Shareholders in respect of capital, dividends and voting are contained in the constitution of the Company. For the ease of reference, selected texts of the Company's constitution relating to the rights of Shareholders in respect of capital, dividends and voting have been reproduced in Part 1 of Appendix F to this Circular.

The Company has not declared any dividend or other distribution in relation to the Shares.

APPENDIX E

ADDITIONAL INFORMATION ON THE COMPANY

4.4 Convertible Instruments

As at the Latest Practicable Date, there are no outstanding instruments convertible into, rights to subscribe for, and options in respect of Shares or securities which carry voting rights affecting Shares.

4.5 Transfer Restrictions

The constitution of the Company does not contain any restrictions on the right to transfer Shares, which has the effect of requiring holders of such Shares, before transferring them, to offer them for purchase to members of the Company or to any person.

4.6 Sale of Shares

Rule 24.5 of the Code requires that if the Shares are not quoted or dealt in on a securities exchange, the Company should disclose all information which the Company may have as to the number, amount and price at which Shares have been sold during the period commencing on the date six months prior to the Announcement Date (the “**6M Start Date**”) and ending on the Latest Practicable Date. Although the Shares are still quoted on the SGX-ST, trading in the Company’s Shares on the SGX-ST has been suspended since 9 a.m., 3 January 2020. During the period commencing on the 6M Start Date and ending on the Latest Practicable Date, based on the register of transfers of the Company, there was no sale of Shares by the Shareholders.

5. DISCLOSURE OF INTERESTS

5.1 Interests of the Company in TPG’s Securities

As at the Latest Practicable Date, the Company does not have any direct or deemed interests in TPG’s Securities.

5.2 Dealings in TPG’s Securities by the Company

The Company has not dealt for value in TPG’s Securities during the period commencing on the 3M Start Date and ending on the Latest Practicable Date.

5.3 Interests of Directors in TPG’s Securities

As at the Latest Practicable Date, none of the Directors has any direct or deemed interests in TPG’s Securities.

5.4 Dealings in TPG’s Securities by the Directors

None of the Directors has dealt for value in TPG’s Securities during the period commencing on the 3M Start Date and ending on the Latest Practicable Date.

APPENDIX E

ADDITIONAL INFORMATION ON THE COMPANY

5.5 Interests of the Directors in the Relevant Securities

As at the Latest Practicable Date, the interests in Shares held by the Directors and parties acting in concert with the Directors are set out below:

Name	Direct Interest		Total Interest	
	No. of Shares	%	No. of Shares	%
Dr. Michael Kuan-Chi Sun	9,000,000	0.14	9,000,000	0.14
Sri Tjintawati Hartanto	2,203,000	0.03	2,203,000	0.03
Wang Xiaozheng	-	-	-	-
Lee Chia Sin	-	-	-	-
Mahtani Bhagwandas	3,000	*	3,000	*

Note: Less than 0.01%

Save as disclosed above, none of the Directors has any direct or deemed interests in the Relevant Securities.

5.6 Dealings in the Relevant Securities by the Directors

None of the Directors has dealt for value in any Relevant Securities during the period commencing on the 3M Start Date and ending on the Latest Practicable Date.

5.7 Interests of the IFA in the Relevant Securities

As at the Latest Practicable Date, none of the IFA, its related corporations or any funds whose investments are managed by the IFA on a discretionary basis owns or controls any Relevant Securities.

5.8 Dealings in Relevant Securities by the IFA

None of the IFA, its related corporations or any of the funds whose investments are managed by the IFA on a discretionary basis has dealt for value in any Relevant Securities during the period commencing on the 3M Start Date and ending on the Latest Practicable Date.

5.9 Interests of the Financial Adviser in the Relevant Securities

As at the Latest Practicable Date, none of the Financial Adviser, its related corporations or any funds whose investments are managed by the Financial Adviser on a discretionary basis owns or controls any Relevant Securities.

5.10 Dealings in Relevant Securities by the Financial Adviser

None of the Financial Adviser, its related corporations or any of the funds whose investments are managed by the Financial Adviser on a discretionary basis has dealt for value in any Relevant Securities during the period commencing on the 3M Start Date and ending on the Latest Practicable Date.

5.11 Intentions of the Directors in respect of their Shares

Save for Mdm. Sri Tjintawati Hartanto, who will abstain and will not vote on the special resolution relating to the Selective Capital Reduction at the EGM, the remaining Directors who hold Shares intend to vote in favour of the Selective Capital Reduction.

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ADDITIONAL INFORMATION ON THE COMPANY

6. OTHER DISCLOSURES AND ARRANGEMENTS AFFECTING DIRECTORS

6.1 Directors' Service Contracts

As at the Latest Practicable Date, (i) there are no service contracts between any of the Directors or proposed directors with the Company or any of its subsidiaries which have more than 12 months to run and which cannot be terminated by the employing company within the next 12 months without paying any compensation and (ii) there are no such service contracts entered into or amended between any of the Directors or proposed directors with the Company or any of its subsidiaries during the period commencing on the 6M Start Date and ending on the Latest Practicable Date.

6.2 No Payment or Benefit to the Directors

As at the Latest Practicable Date, there is no agreement, arrangement or understanding for any payment or other benefit to be made or given to any Director or director of any other corporation which is, by virtue of Section 6 of the Companies Act, deemed to be related to the Company as compensation for loss of office or otherwise in connection with the Selective Capital Reduction.

6.3 No Agreement Conditional upon Outcome of Selective Capital Reduction

As at the Latest Practicable Date, there are no agreements or arrangements made between (i) any of the Directors or parties acting in concert with the Directors; and (ii) any of the Directors, recent directors of the Company, Shareholders or recent shareholders of the Company or any other person having any connection with or dependence upon the outcome of the Selective Capital Reduction or otherwise in connection with the Selective Capital Reduction.

6.4 Material Contracts entered into by the Company

As at the Latest Practicable Date, there are no material contracts entered into by the Company in which any Director has a material personal interest, whether direct or indirect.

7. FINANCIAL INFORMATION

7.1 Consolidated Profit and Loss Account

A summary of the Group's audited consolidated profit and loss account for FY2021, FY2020 and FY2019 is set out below.

Consolidated Statement of Comprehensive Income (S\$'000)

	Audited FY2021	Audited FY2020	Audited FY2019
Revenue	-	-	-
Other income	2,898	21,550	2,435
Administrative expenses	(1,855)	(1,779)	(1,615)
Other expenses	(24,025) ⁽¹⁾	(1,935)	(1,162)
Share of (loss)/profit of joint ventures	(1,074)	1,763	880
(Loss)/Profit before income tax	(24,056)	19,599	538
Income tax (expense)/credit	(3)	116	-
(Loss)/Profit for the financial year	(24,059)	19,715	538

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	Audited FY2021	Audited FY2020	Audited FY2019
Other comprehensive (loss)/income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
- Currency translation differences arising on consolidation	(2,935)	493	587
Other comprehensive (loss)/income for the financial year, net of tax	(2,935)	493	587
Total comprehensive (loss)/income	(26,994)	20,208	1,125
(Loss)/Income attributable to:			
Equity holders of the Company	(24,050)	19,761	588
Non-controlling interests	(9)	(46)	(50)
	(24,059)	19,715	538
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company	(26,985)	20,254	1,175
Non-controlling interests	(9)	(46)	(50)
	(26,994)	20,208	1,125
Earnings per share for (loss)/profit attributable to equity holders of the Company (cents per Share)			
- Basic	(0.3743)	0.3076	0.0092
- Diluted	(0.3743)	0.3076	0.0092
Dividends per share	-	-	-

Note:

(1) Please see paragraph 8 of this Appendix E.

The above summary financial information is extracted from the Annual Reports for FY2021 (which contain the FY2021 Results), FY2020 and FY2019, and should be read together with the aforementioned Annual Reports, as the case may be, for the relevant financial years and, in each case, the accompanying notes thereto. The FY2021 Results and the accompanying notes thereto are set out in Appendix H to this Circular.

The Group made an audited net loss of S\$27.0 million for the 12-month period ended 31 March 2021.

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7.2 Consolidated Balance Sheet

A summary of the Group's audited consolidated balance sheet as at 31 March 2021, as provided under the FY2021 Results (being its last published audited accounts), is set out below.

Statement of Financial Position (S\$'000)

	Audited as at 31 March 2021
Non-current assets	
Property, plant and equipment	240
Investment in joint ventures	-
Investment in subsidiaries	-
	240
Current assets	
Trade receivables	-
Other receivables, deposits and prepayments	268
Amounts due from subsidiaries	-
Cash and bank balances	13,631
Income tax receivable	-
	13,899
Total assets	14,139
Current liabilities	
Amounts due to subsidiaries	-
Trade payables	-
Other payables and accruals	3,691
Lease liability	92
Income tax payable	1
	3,784
Non-current liabilities	
Lease liability	155
Total liabilities	3,939
Net assets	10,200
Capital and reserves attributable to equity holders of the Company	
Share capital	145,623
Treasury shares	(1,219)
Capital reserve	(169)
Settlement shares	(1,140)
Currency translation reserve	(303)
Accumulated losses	(132,513)
	10,279
Non-controlling interests	(79)
Total equity	10,200

The above summary financial information is extracted from the Annual Report for FY2021 (containing the FY2021 Results), and should be read together with the aforementioned Annual Report and the accompanying notes thereto. The FY2021 Results and the accompanying notes thereto are set out in Appendix H to this Circular.

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7.3 Significant Accounting Policies

A summary of the significant accounting policies of the Group is set out in note 2 to the FY2021 Results, which are reproduced in Appendix H to this Circular.

Save as disclosed in this Circular and publicly available information on the Group (including but not limited to that contained in the FY2021 Results), there are no significant accounting policies or any points from the notes to the financial statements which are of major relevance for the interpretation of the accounts.

7.4 Changes in Accounting Policies

Save as disclosed in the FY2021 Results, there are no changes in the accounting policies of the Group which will cause the financial statements of the Group not to be comparable to a material extent.

The Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 April 2021. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

8. MATERIAL CHANGES IN FINANCIAL POSITION AND PROSPECTS

8.1 Impairment loss on investment in joint venture

The Group had appointed ROMA Appraisals Limited to perform a value in use (“**VIU**”) valuation of HUH Broadband Communication Company Limited (“**HUH**”), a joint venture entity in which the Company indirectly holds 55% interest, and HUH’s two wholly-owned subsidiaries, HNC Company Limited and Beijing China Satcom Unified Network Systems Technology Co., Ltd. (together with HUH, the “**Target Group**”) as at 30 September 2020. Based on its investigations and the valuation method employed, ROMA Appraisals Limited had determined that the VIU of the Target Group as at 30 September 2020 had no commercial value.

Accordingly, the Group recognised an impairment loss on investment in joint venture amounting to S\$24.07 million in its audited Statement of Comprehensive Income under the FY2021 Results. As at 31 March 2021, the Group’s investment in joint ventures is fully impaired.

Following from the impairment loss, the assets of the Company consists wholly or substantially of cash or short-dated securities. On 18 May 2021, the SGX-ST issued a notice of compliance to the Company, directing it to, pursuant to Rule 1018 of the Listing Manual, (i) place at least 90% of its cash (including existing cash balance and the consideration arising from any disposals) in an account opened with and operated by an escrow agent, which is part of any financial institution licensed and approved by the Monetary Authority of Singapore. The amount that is placed in the escrow account cannot be drawn down except for the purpose of making the exit offer to shareholders; and (ii) provide a monthly valuation of the Group’s assets and utilisation of cash via SGXNet. More information on the Company’s escrow arrangement is set out in paragraph 2.6 of the Letter.

In addition to the valuation undertaken by ROMA Appraisals Limited as at 30 September 2020, the Group had appointed the Valuer, AVA Associates Limited, to perform VIU valuation on the Target Group as a cash-generating unit (“**CGU**”) as at 31 March 2021. Based on the information the Valuer was provided, its analyses and conclusion, and subject to the assumptions and limiting conditions contained in the Valuation Report, AVA Associates Limited determined that the reasonable amount for the Target Group as the CGU, in its existing state as at 31 March 2021, as represented by its VIU, is reasonably stated at nil.

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The Group's audited Statement of Comprehensive Income in the FY2021 Results reflects an impairment loss on investment in joint venture amounting to S\$24.07 million, and the Independent Auditor's Report under the FY2021 Results indicates that as of 31 March 2021, the Group's investment in joint ventures is fully impaired.

8.2 Amount due to joint venture

As further discussed in paragraph 11 below, the Company received a Demand from HCH, the joint venture partner that owns 45% of HUH, on 26 January 2021, for the advance of its proportionate shareholders' loan of US\$1.76 million ("**Shareholders' Loan**") by 30 January 2021. The Company has sought legal advice on the available courses of action to the Group in relation to the Demand. Based on a legal opinion dated 15 January 2021 provided to the Company, there is a high likelihood that CUH would be liable to advance the Shareholders' Loan. The Group has reflected the Shareholders Loan amount as part of its current liabilities and recorded a corresponding investment in joint venture in the audited Statement of Financial Position under the FY2021 Results.

Save as disclosed in this Circular and the FY2021 Results and save for any publicly available information on the Company, to the Controlling Shareholders' and Company's knowledge, as at the Latest Practicable Date, there have been no known material changes in the financial position or prospects of the Company since 31 March 2021, being the date of the last published audited accounts of the Company.

9. MATERIAL CHANGE IN INFORMATION

Save as disclosed in this Circular and save for the information relating to the Company and the Selective Capital Reduction that is publicly available, there has been no material change in any information previously published by or on behalf of the Company during the period commencing from the Announcement Date and ending on the Latest Practicable Date.

10. MATERIAL CONTRACTS WITH INTERESTED PERSONS

As at the Latest Practicable Date, there have been no material contracts (not being contracts entered into during the ordinary course of business carried on by the Company) entered into by the Company or any of its subsidiaries with Interested Persons, during the three years preceding the Announcement Date.

11. MATERIAL LITIGATION

On 28 January 2021, the Company announced that a wholly-owned subsidiary of the Company, China UnifiedNet Holdings Limited ("**CUH**"), had received a demand letter ("**Demand**") on 26 January 2021 from HCH Group Company Limited ("**HCH**") for the advance of the Shareholders' Loan by 30 January 2021. HCH is the joint venture partner that owns 45% of HUH, a 55%-owned joint venture of CUH. The Demand was issued by HCH pursuant to the terms of the shareholders' agreement dated 5 March 2010 between, *inter alia*, CUH and HCH. As described in paragraph 8.2 above, the Company has made provisions in its FY2021 Results in light of the Demand. The Company has sought legal advice on the available courses of action to the Group in relation to the Demand. Based on a legal opinion dated 15 January 2021 provided to the Company, there is a high likelihood that CUH would be liable to advance the Shareholders' Loan. As at the Latest Practicable Date, the Company is considering the appropriate course of action to take.

Apart from the above, as at the Latest Practicable Date:

- (i) neither the Company nor any of its subsidiaries is engaged in any material litigation or arbitration proceedings, as plaintiff or defendant, which might materially and adversely affect the financial position of the Company and its subsidiaries taken as a whole; and

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- (ii) the Directors are not aware of any litigation, claim or proceeding pending or threatened against the Company or any of its subsidiaries or of any fact likely to give rise to any proceeding which might materially and adversely affect the financial position of the Company and its subsidiaries taken as a whole.

12. VALUATION REPORT

12.1 Bases of Valuation

The Company has commissioned an independent valuation of its investment in the Target Group as at 31 March 2021 (“**Valuation Report**”). The Valuation Report is set out in Appendix G to this Circular.

12.2 Potential Tax Liability

Under Rule 26.3 of the Code, for the valuation of the assets given in connection with the Selective Capital Reduction, the Company is required, *inter alia*, to make an assessment of any potential tax liability which would arise if the assets, which are the subject of a valuation given in connection with the Selective Capital Reduction, were to be sold at the amount of the valuation. Based on the information from the Valuation Report as well as information provided by the Company, no potential tax liabilities would be incurred by the Group on the hypothetical disposal of its assets on an “as is” basis, as the Group’s assets currently have a nil value in the Valuation Report.

13. MARKET QUOTATIONS

13.1 Trade Suspension

Although the Shares are still quoted on the SGX-ST, trading in the Company’s Shares on the SGX-ST has been suspended since 9 a.m., 3 January 2020. Accordingly, the closing prices of the Shares on (i) the Latest Practicable Date and (ii) the latest Business Day immediately preceding the Announcement Date are not available.

13.2 Closing Prices

Rule 23.10 of the Code requires that the closing prices of the Shares traded on the SGX-ST at the end of each month from 31 January 2021 to 30 June 2021 (being the six months preceding the Announcement Date) be disclosed. However, as trading in the Company’s Shares on the SGX-ST has been suspended since 9 a.m., 3 January 2020, the closing prices of the Shares traded on the SGX-ST at the end of each month from 31 January 2021 to 30 June 2021 are not available.

13.3 Highest and Lowest Prices

Rule 23.10 of the Code requires that the highest and lowest closing prices of the Shares traded on the SGX-ST during the period between 11 January 2021 and 27 October 2021 (being the period between the start of the six months preceding the Announcement Date and ending on the Latest Practicable Date) be disclosed. However, as trading in the Company’s Shares on the SGX-ST has been suspended since 9 a.m., 3 January 2020, the highest and lowest closing prices of the Shares traded on the SGX-ST during the period between 11 January 2021 and 27 October 2021 are not available.

The highest and lowest closing prices of the Shares traded on the SGX-ST during the one year period prior to 3 January 2020, being the date on which trading in the Shares on the SGX-ST was suspended, were S\$0.002 and S\$0.001, respectively. Please refer to Section 6.2 of the IFA Letter for more information on the historical market price performance of the Shares.

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14. GENERAL

14.1 Costs and Expenses

All expenses and costs incurred by the Company in relation to the Selective Capital Reduction will be borne by the Company.

14.2 Consent of IFA

Provenance Capital Pte. Ltd. has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name, its advice to the Independent Directors set out in paragraph 2.17.2 of the Letter and the IFA Letter as set out in Appendix A to this Circular and all references thereto, in the form and context in which they appear in this Circular.

14.3 Consent of Valuer

AVA Associates Limited, named as the valuer to assist the Company in its preparation of the Company's investment in the Target Group, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its valuation report in Appendix G to this Circular and the references to its name in the form and context in which it appears in this Circular.

14.4 Consent of Financial Adviser

Crowe Horwath Capital Pte. Ltd. has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name and all the references to it as the Company's Financial Adviser, in the form and context in which they appear in this Circular.

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Part 1

Rights in respect of Capital, Dividends and Voting

All capitalised terms used in the following extracts shall have the same meanings given to them in the constitution of the Company.

The rights of Shareholders in respect of capital, dividends and voting are contained in the constitution of the Company, the relevant provisions of which are set out below:

Rights in respect of Capital

ISSUE OF SHARES

4. *Subject to the Statutes and these presents, no shares may be issued by the Directors without the prior approval of the Company in General Meeting but subject thereto and to Article 8, and to any special rights attached to any shares for the time being issued, the Directors may allot and issue shares or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration and at such time and subject or not to the payment of any part of the amount thereof in cash as the Directors may think fit, and any shares may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors, Provided always that:-*
- (a) no shares shall be issued at a discount except in accordance with the Statutes;*
 - (b) (subject to any direction to the contrary that may be given by the Company in General Meeting) any issue of shares for cash to members holding shares of any class shall be offered to such members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of Article S(A) with such adaptations as are necessary shall apply; and*
 - (c) any other issue of shares, the aggregate of which would exceed the limits referred to in Article 8(B), shall be subject to the approval of the Company in General Meeting.*
5. (A) *In the event of preference shares being issued the total nominal value of issued preference shares shall not at any time exceed the total nominal value of the issued ordinary shares and preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance sheets and attending General Meetings of the Company, and preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding-up or sanctioning a sale of the undertaking or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six months in arrear.*
- (B) *The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares already issued.*

VARIATION OF RIGHTS

6. (A) *Whenever the share capital of the Company is divided into different classes of shares, subject to the provisions of the Statutes, preference capital other than redeemable preference capital may be repaid and the special rights attached to any class may be varied or abrogated either with the consent in writing of the holders of three-quarters in nominal value of the issued shares of the class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of the class (but not otherwise) and may be so repaid, varied or abrogated either whilst the Company is a going concern*

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or during or in contemplation of a winding-up. To every such separate General Meeting all the provisions of these presents relating to General Meetings of the Company and to the proceedings thereat shall mutatis mutandis apply, except that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third in nominal value of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him, Provided always that where the necessary majority for such a Special Resolution is not obtained at such General Meeting, consent in writing if obtained from the holders of three-quarters in nominal value of the issued shares of the class concerned within two months of such General Meeting shall be as valid and effectual as a Special Resolution carried at such General Meeting. The foregoing provisions of this Article shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied.

- (B) *The special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects pari passu therewith but in no respect in priority thereto.*

ALTERATION OF SHARE CAPITAL

7. *The Company may from time to time by Ordinary Resolution increase its capital by such sum to be divided into shares of such amounts as the resolution shall prescribe.*
8. (A) *Subject to any direction to the contrary that may be given by the Company in General Meeting or except as permitted under the Listing Manual, all new shares shall before issue be offered to such persons as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Article 8(A).*
8. (B) *Notwithstanding Article 8(A), but subject always to the Act and the Listing Manual, the Company may by Ordinary Resolution in a General Meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the Ordinary Resolution, to issue:-*
- (a) *shares in the capital of the Company (whether by way of bonus, rights or otherwise);*
 - (b) *convertible securities;*
 - (c) *additional convertible securities arising from adjustments made to the number of convertible securities previously issued in the event of rights, bonus or capitalisation issues (notwithstanding that the mandate conferred by the Ordinary Resolution may have ceased to be in force at the time the securities are issued) provided that the adjustment does not give the holder a benefit that a shareholder does not receive; or*
 - (d) *shares arising from the conversion of convertible securities in (b) and (c) above (notwithstanding that the mandate conferred by the Ordinary Resolution may have ceased to be in force at the time the securities are to be issued); or*

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- (e) *such other shares or securities in the capital of the Company of whatever nature or form as may be permitted or prescribed by the Act and the Listing Manual,*

at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares and convertible securities that may be issued by the Company shall be not more than 50% of the issued share capital of the Company, or such other limit as may be prescribed by any Stock Exchange upon which the shares in the Company may be listed, of which the aggregate number of shares and convertible securities issued other than on a pro-rotas basis to existing shareholders of the Company must be not more than 20% of the issued share capital of the Company or such other limit as may be prescribed by any Stock Exchange upon which the shares in the Company may be listed, and unless earlier revoked or varied by the Company in General Meeting, such authority shall continue in force only until the next Annual General Meeting or the date by which the next Annual General Meeting is required by law to be held, whichever is earlier. For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued share capital shall be calculated based on the issued share capital of the Company at the time of the passing of the resolution approving the mandate after adjusting for:-

- (i) new Shares arising from the conversion or exercise of convertible securities;*
- (ii) new Shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of the resolution approving the mandate, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual; and*
- (iii) any subsequent consolidation or subdivision of Shares*

or in such other manner as may be prescribed by the Listing Manual.

- (C) *Except so far as otherwise provided by the conditions of issue or by these presents, all new shares shall be subject to the provisions of the Statutes and of these presents with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.*

9. *The Company may by Ordinary Resolution:-*

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;*
- (b) cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person and diminish the amount of its capital by the amount of the shares so cancelled;*
- (c) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association (subject, nevertheless, to the provisions of the Statutes), and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to unissued or new shares; and*
- (d) subject to the provisions of the Statutes, convert any class of shares into any other class of shares.*

10. (A) *The Company may reduce its share capital or any capital redemption reserve fund, share premium account or other undistributable reserve in any manner and with and subject to any incident authorised and consent required by law. Without prejudice to the generality of the*

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foregoing, upon cancellation of any share purchased or otherwise acquired by the Company pursuant to these presents, the nominal amount of the issued share capital of the Company shall be diminished by the nominal amount of the share so cancelled.

- (B) *The Company may, subject to and in accordance with the Act, purchase or otherwise acquire shares in the issued share capital of the Company on such terms and in such manner as the Company may from time to time think fit. If required by the Act, any share which is so purchased or acquired by the Company shall be deemed to be cancelled immediately on purchase or acquisition by the Company. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with, the Act.*

SHARES

11. *Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognise any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these presents or by law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the person (other than the Depository) entered in the Register of Members as the registered holder thereof or (as the case may be) the person whose name is entered in the Depository Register in respect of that share.*
12. *Without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being issued, any share in the Company may be issued with such preferred, deferred or other special rights, or subject to such restrictions, whether as regards dividend, return of capital, voting or otherwise, as the Company may from time to time by Ordinary Resolution determine (or, in the absence of any such determination, as the Directors may determine) and subject to the provisions of the Statutes, the Company may issue preference shares which are, or at the option of the Company are liable, to be redeemed.*
13. *Subject to the provisions of these presents and of the Statutes relating to authority, pre-emption rights and otherwise and of any resolution of the Company in General Meeting passed pursuant thereto, all unissued shares shall be at the disposal of the Directors and they may allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think proper.*
14. *The Company may exercise the powers of paying commissions conferred by the Statutes to the full extent thereby permitted, Provided that the rate or amount of the commissions paid or agreed to be paid shall be disclosed in the manner required by the Statutes. Such commissions may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.*
15. *Subject to the terms and conditions of any application for shares, the Directors shall allot shares applied for within ten Market Days of the closing date (or such other period as may be approved by any Stock Exchange upon which shares in the Company may be listed) of any such application. The Directors may, at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder or (as the case may be) before that share is entered against the name of a Depositor in the Depository Register, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.*

SHARE CERTIFICATES

16. *Every share certificate shall be issued under the Seal and shall specify the number and class of shares to which it relates and the amount paid up thereon and shall bear the autographic or facsimile signatures of one Director and the Secretary or a second Director or some other person*

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appointed by the Directors. The facsimile signatures may be reproduced by mechanical, electronic or other method approved by the Directors. No certificate shall be issued representing shares of more than one class.

17. (A) *The Company shall not be bound to register more than three persons as the registered holders of a share except in the case of executors or administrators of the estate of a deceased member.*

(B) *In the case of a share registered jointly in the names of several persons, the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to any one of the registered joint holders shall be sufficient delivery to all.*
18. *Subject to the payment of all or any part of the stamp duty payable (if any) on each share certificate prior to the delivery thereof which the Directors in their absolute discretion may require, every person whose name is entered as a member in the Register of Members shall be entitled to receive, within ten Market Days of the closing date of any application for shares (or such other period as may be approved by any Stock Exchange upon which shares in the Company may be listed) or within ten Market Days after the date of lodgement of a registrable transfer (or such other period as may be approved by any Stock Exchange upon which shares in the Company may be listed), one certificate for all his shares of any one class or several certificates in reasonable denominations each for a part of the shares so allotted or transferred. Where such a member transfers part only of the shares comprised in a certificate or where such a member requires the Company to cancel any certificate or certificates and issue new certificates for the purpose of subdividing his holding in a different manner, the old certificate or certificates shall be cancelled and a new certificate or certificates for the balance of such shares issued in lieu thereof and such member shall pay all or any part of the stamp duty payable (if any) on each share certificate prior to the delivery thereof which the Directors in their absolute discretion may require and a maximum fee of S\$2 for each new certificate or such other fee as the Directors may from time to time determine having regard to any limitation thereof as may be prescribed by any Stock Exchange upon which shares in the Company may be listed.*
19. (A) *Any two or more certificates representing shares of any one class held by any person whose name is entered in the Register of Members may at his request be cancelled and a single new certificate for such shares issued in lieu without charge.*

(B) *If any person whose name is entered in the Register of Members shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu two or more share certificates representing such shares in such proportions as he may specify, the Directors may, if they think fit, comply with such request. Such person shall (unless such fee is waived by the Directors) pay a maximum fee of S\$2 for each share certificate issued in lieu of a share certificate surrendered for cancellation or such other fee as the Directors may from time to time determine having regard to any limitation thereof as may be prescribed by any Stock Exchange upon which shares in the Company may be listed.*

(C) *In the case of shares registered jointly in the names of several persons any such request may be made by any one of the registered joint holders.*
20. *Subject to the provisions of the Statutes, if any share certificate shall be defaced, worn out, destroyed, lost or stolen, it may be renewed on such evidence being produced and a letter of indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser, member firm or member company of any Stock Exchange upon which shares in the Company may be listed or on behalf of its or their client or clients as the Directors of the Company shall require, and (in case of defacement or wearing out) on delivery up of the old certificate and in any case on payment of such sum not exceeding S\$2 as the Directors may from time to time require together with the amount of the proper duty with which such share certificate is chargeable under any law for the time being in force relating to stamps. In the case of destruction, loss or theft, a shareholder*

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or person entitled to whom such renewed certificate is given shall also bear the loss and pay to the Company all expenses incidental to the investigations by the Company of the evidence of such destruction or loss.

STOCK

46. *The Company may from time to time by Ordinary Resolution convert any paid-up shares into stock and may from time to time by like resolution reconvert any stock into paid-up shares of any denomination.*
47. *The holders of stock may transfer the same or any part thereof in the same manner and subject to the same Articles as and subject to which the shares from which the stock arose might previously to conversion have been transferred (or as near thereto as circumstances admit) but no stock shall be transferable except in such units (not being greater than the nominal amount of the shares from which the stock arose) as the Directors may from time to time determine.*
48. *The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividend, return of capital, voting and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except as regards participation in the profits or assets of the Company) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such privilege or advantage; and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted.*

CAPITALISATION OF PROFITS AND RESERVES

132. *The Directors may, with the sanction of an Ordinary Resolution of the Company (including any Ordinary Resolution passed pursuant to Article 8(B)), capitalise any sum standing to the credit of any of the Company's reserve accounts (including Share Premium Account, Capital Redemption Reserve Fund or other undistributable reserve) or any sum standing to the credit of profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on the date of the Resolution (or such other date as may be specified therein or determined as therein provided) or (in the case of an Ordinary Resolution passed pursuant to Article 8(B)) such other date as may be determined by the Directors in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full unissued shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid. The Directors may do all acts and things considered necessary or expedient to give effect to any such capitalisation, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the members concerned). The Directors may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for any such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.*
133. *In addition and without prejudice to the power to capitalise profits and other moneys provided for by Article 132, the Directors shall have power to capitalise any undivided profits or other moneys of the Company not required for the payment or provision of any dividend on any shares entitled to cumulative or non-cumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full at par unissued shares on terms that such shares shall, upon issue, be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by shareholders in General Meeting in such manner and on such terms as the Directors shall think fit."*

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EXTRACTS FROM THE COMPANY'S CONSTITUTION

Rights in respect of Dividends

CALLS ON SHARES

21. *The Directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or, when permitted, by way of premium) but subject always to the terms of issue of such shares. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by instalments.*
22. *Each member shall (subject to receiving at least 14 days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the Directors may determine.*
23. *If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding ten per cent. per annum) as the Directors determine but the Directors shall be at liberty in any case or cases to waive payment of such interest wholly or in part.*
24. *Any sum (whether on account of the nominal value of the share or by way of premium) which by the terms of issue of a share becomes payable upon allotment or at any fixed date shall for all the purposes of these presents be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable. In case of non-payment all the relevant provisions of these presents as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.*
25. *The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payment.*
26. *The Directors may if they think fit receive from any member willing to advance the same, all or any part of the moneys (whether on account of the nominal value of the shares or by way of premium) uncalled and unpaid upon the shares held by him and such payment in advance of calls shall extinguish pro tanto the liability upon the shares in respect of which it is made and upon the money so received (until and to the extent that the same would but for such advance become payable) the Company may pay interest at such rate (not exceeding eight per cent. per annum) as the member paying such sum and the Directors may agree. Capital paid on shares in advance of calls shall not while carrying interest confer a right to participate in profits.*

FORFEITURE AND LIEN

27. *If a member fails to pay in full any call or instalment of a call on the due date for payment thereof, the Directors may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by the Company by reason of such non-payment.*
28. *The notice shall name a further day (not being less than 14 days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the shares on which the call has been made will be liable to be forfeited.*
29. *If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.*

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EXTRACTS FROM THE COMPANY'S CONSTITUTION

30. *A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Directors shall think fit and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be cancelled on such terms as the Directors think fit. The Directors may, if necessary, authorise some person to transfer or effect the transfer of a forfeited or surrendered share to any such other person as aforesaid.*
31. *A member whose shares have been forfeited or surrendered shall cease to be a member in respect of the shares but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of the shares with interest thereon at eight per cent. per annum (or such lower rate as the Directors may determine) from the date of forfeiture or surrender until payment and the Directors may at their absolute discretion enforce payment without any allowance for the value of the shares at that time of forfeiture or surrender or waive payment in whole or in part.*
32. *The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such share and for all moneys as the Company may be called upon by law to pay in respect of the shares of the member or deceased member. The Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Article.*
33. *The Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of 14 days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default shall have been given to the holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.*
34. *The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debts or liabilities and any residue shall be paid to the person entitled to the shares at the time of the sale or to his executors, administrators or assigns, as he may direct. For the purpose of giving effect to any such sale the Directors may authorise some person to transfer or effect the transfer of the shares sold to the purchaser.*
35. *A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together (where the same be required) with the share certificate delivered to a purchaser (or where the purchaser is a Depositor, to the Depository) or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute good title to the share and the share shall be registered in the name of the person to whom the share is sold, re-allotted or disposed of or, where such person is a Depositor, the Company shall procure that his name be entered in the Depository Register in respect of the share so sold, re-allotted or disposed of. Such person shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the share.*

TRANSMISSION OF SHARES

43. (A) *In the case of the death of a member whose name is entered in the Register of Members, the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only person(s) recognised by the Company as having any title to his interest in the shares.*

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- (B) *In the case of the death of a member who is a Depositor, the survivors or survivor where the deceased is a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder and where such executors or administrators are entered in the Depository Register in respect of any shares of the deceased member, shall be the only person(s) recognised by the Company as having any title to his interest in the shares.*
- (C) *Nothing in this Article shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him.*
44. *Any person becoming entitled to the legal title in a share in consequence of the death or bankruptcy of a person whose name is entered in the Register of Members may (subject as hereinafter provided) upon supplying to the Company such evidence as the Directors may reasonably require to show his legal title to the share either be registered himself as holder of the share upon giving to the Company notice in writing of such desire or transfer such share to some other person. All the limitations, restrictions and provisions of these presents relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the person whose name is entered in the Register of Members had not occurred and the notice or transfer were a transfer executed by such person.*
45. *Save as otherwise provided by or in accordance with these presents, a person becoming entitled to a share pursuant to Article 43(A) or (B) or Article 44 (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share) shall be entitled to the same dividends and other advantages as those to which he would be entitled if he were the member in respect of the share except that he shall not be entitled in respect thereof (except with the authority of the Directors) to exercise any right conferred by membership in relation to meetings of the Company until he shall have been registered as a member in the Register of Members or his name shall have been entered in the Depository Register in respect of the share.*

RESERVES

120. *The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also, without placing the same to reserve, carry forward any profits. In carrying sums to reserve and in applying the same the Directors shall comply with the provisions of the Statutes.*

DIVIDENDS

121. *The Company may by Ordinary Resolution declare dividends but no such dividend shall exceed the amount recommended by the Directors.*
122. *If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.*
123. *Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purposes of this Article no amount paid on a share in advance of calls shall be treated as paid on the share.*

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124. *No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes.*
125. *No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company.*
126. (A) *The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.*
- (B) *The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.*
127. *The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the shareholder (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.*
128. *The Company may upon the recommendation of the Directors by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company) and the Directors shall give effect to such resolution. Where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates, may fix the value for distribution of such specific assets or any part thereof, may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.*
129. *Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address appearing in the Register of Members or (as the case may be) the Depository Register of a member or person entitled thereto (or, if two or more persons are registered in the Register of Members or (as the case may be) entered in the Depository Register as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or to such person at such address as such member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby. Notwithstanding the foregoing provisions of this Article and the provisions of Article 131, the payment by the Company to the Depository of any dividend payable to a Depositor shall, to the extent of the payment made to the Depository, discharge the Company from any liability to the Depositor in respect of that payment.*
130. *If two or more persons are registered in the Register of Members or (as the case may be) the Depository Register as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share.*
131. *Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares in the Register of Members or (as the case may be) the Depository Register at the close of business on a particular date and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares.*

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CAPITALISATION OF PROFITS AND RESERVES

132. *The Directors may, with the sanction of an Ordinary Resolution of the Company (including any Ordinary Resolution passed pursuant to Article 8(B)), capitalise any sum standing to the credit of any of the Company's reserve accounts (including Share Premium Account, Capital Redemption Reserve Fund or other undistributable reserve) or any sum standing to the credit of profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on the date of the Resolution (or such other date as may be specified therein or determined as therein provided) or (in the case of an Ordinary Resolution passed pursuant to Article 8(B)) such other date as may be determined by the Directors in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full unissued shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid. The Directors may do all acts and things considered necessary or expedient to give effect to any such capitalisation, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the members concerned). The Directors may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for any such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.*
133. *In addition and without prejudice to the power to capitalise profits and other moneys provided for by Article 132, the Directors shall have power to capitalise any undivided profits or other moneys of the Company not required for the payment or provision of any dividend on any shares entitled to cumulative or non-cumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full at par unissued shares on terms that such shares shall, upon issue, be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by shareholders in General Meeting in such manner and on such terms as the Directors shall think fit.*

Rights in respect of Voting

PROCEEDINGS AT GENERAL MEETINGS

55. *The Chairman of the Board of Directors, failing whom the Deputy Chairman, shall preside as chairman at a General Meeting. If there be no such Chairman or Deputy Chairman, or if at any meeting neither be present within five minutes after the time appointed for holding the meeting and willing to act, the Directors present shall choose one of their number (or, if no Director be present or if all the Directors present decline to take the chair, the members present shall choose one of their number) to be chairman of the meeting.*
56. *No business other than the appointment of a chairman shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Save as herein otherwise provided, the quorum at any General Meeting shall be two or more members present in person or by proxy Provided That (i) a proxy representing more than one member shall only count as one member for the purpose of determining the quorum; and (ii) where a member is represented by more than one proxy such proxies shall count as only one member for the purpose of determining the quorum.*
57. *If within 30 minutes from the time appointed for a General Meeting (or such longer interval as the chairman of the meeting may think fit to allow) a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if that day is a public holiday then to the next business day following*

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that public holiday) at the same time and place or such other day, time or place as the Directors may by not less than ten days' notice appoint. At the adjourned meeting any one or more members present in person or by proxy shall be a quorum.

58. *The chairman of any General Meeting at which a quorum is present may with the consent of the meeting (and shall if so directed by the meeting) adjourn the meeting from time to time (or sine die) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a meeting is adjourned sine die, the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for 30 days or more or sine die, not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting.*
59. *Save as hereinbefore expressly provided, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.*
60. *If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a Special Resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.*
61. *At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:-*
- (a) the chairman of the meeting; or*
 - (b) not less than two members present in person or by proxy and entitled to vote; or*
 - (c) a member present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or*
 - (d) a member present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid on all the shares conferring that right,*

Provided always that no poll shall be demanded on the choice of a chairman or on a question of adjournment.

62. *A demand for a poll may be withdrawn only with the approval of the meeting. Unless a poll is required a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll is required, it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.*
63. *In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote.*

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64. *A poll demanded on any question shall be taken either immediately or at such subsequent time (not being more than 30 days from the date of the meeting) and place as the chairman may direct. No notice need be given of a poll not taken immediately. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.*

VOTES OF MEMBERS

65. *Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company, each member entitled to vote may vote in person or by proxy. On a show of hands, every member who is present in person or by proxy shall have one vote (provided that in the case of a member who is represented by two proxies, only one of the two proxies as determined by that member or, failing such determination, by the Chairman of the meeting (or by a person authorised by him) in his sole discretion shall be entitled to vote on a show of hands) and on a poll, every member who is present in person or by proxy shall have one vote for every share which he holds or represents. For the purpose of determining the number of votes which a member, being a Depositor, or his proxy may cast at any General Meeting on a poll, the reference to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as at 48 hours before the time of the relevant General Meeting as certified by the Depository to the Company.*
66. *In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members or (as the case may be) the Depository Register in respect of the share.*
67. *Where in Singapore or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any member on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such receiver or other person on behalf of such member to vote in person or by proxy at any General Meeting or to exercise any other right conferred by membership in relation to meetings of the Company.*
68. *No member shall, unless the Directors otherwise determine, be entitled in respect of shares held by him to vote at a General Meeting either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company if any call or other sum presently payable by him to the Company in respect of such shares remains unpaid.*
69. *No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting whose decision shall be final and conclusive.*
70. *On a poll, votes may be given either personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.*
71. (A) *A member may appoint not more than two proxies to attend and vote at the same General Meeting, Provided that if the member is a Depositor, the Company shall be entitled and bound:-*
- (a) *to reject any instrument of proxy lodged if the Depositor is not shown to have any shares entered against his name in the Depository Register as at 48 hours before the time of the relevant General Meeting as certified by the Depository to the Company; and*

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- (b) *to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by the Depositor is or are able to cast on a poll a number which is the number of shares entered against the name of that Depositor in the Depository Register as at 48 hours before the time of the relevant General Meeting as certified by the Depository to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.*
 - (B) *The Company shall be entitled and bound, in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy.*
 - (C) *In any case where a form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.*
 - (D) *A proxy need not be a member of the Company.*
72. (A) *An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may approve and:-*
- (a) *in the case of an individual, shall be signed by the appointor or his attorney; and*
 - (b) *in the case of a corporation, shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation.*
 - (B) *The signature on such instrument need not be witnessed. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to the next following Article, failing which the instrument may be treated as invalid.*
73. *An instrument appointing a proxy must be left at such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified, at the Office) not less than 48 hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid. The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates; Provided that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not be required again to be delivered for the purposes of any subsequent meeting to which it relates.*
74. *An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll, to move any resolution or amendment thereto and to speak at the meeting.*
75. *A vote cast by proxy shall not be invalidated by the previous death or insanity of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made, Provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office at least one hour before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.*

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CORPORATIONS ACTING BY REPRESENTATIVES

76. *Any corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member of the Company and such corporation shall for the purposes of these presents be deemed to be present in person at any such meeting if a person so authorised is present thereat.*

Part 2

Provisions in the constitution of the Company relating to the payment of directors' fees

All capitalised terms used in the following extracts shall have the same meanings given to them in the constitution of the Company.

79. *The ordinary remuneration of the Directors shall from time to time be determined by an Ordinary Resolution of the Company, shall not be increased except pursuant to an Ordinary Resolution passed at a General Meeting where notice of the proposed increase shall have been given in the notice convening the General Meeting and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree, or failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he has held office.*
80. (A) *Any Director who holds any executive office, or who serves on any committee of the Directors, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise as the Directors may determine.*
- (B) *The remuneration (including any remuneration under Article 80(A) above) in the case of a Director other than an Executive Director shall be payable by a fixed sum and shall not at any time be by commission on or percentage of the profits or turnover, and no Director whether an Executive Director or otherwise shall be remunerated by a commission on or percentage of turnover.*

APPENDIX G
VALUATION REPORT ON THE TARGET GROUP

Report to NGSC Limited

Valuation

of

HUH Broadband Communication Co., Ltd.

as at

31 March 2021



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VALUATION REPORT ON THE TARGET GROUP



16 July 2021

AVA Associates Limited
806 Empress Plaza
17-19 Chatham Road South
Tsim Sha Tsui, Hong Kong

Asia Valuation & Advisory Services Pte Ltd
160 Robinson Road
#26-04 SBF Centre
Singapore 068914

To
Board of Directors
NGSC LIMITED
96 Robinson Rd
#12-04 SIF Building
Singapore 068899

Dear Sirs,

Pursuant to your instruction, AVA Associates Limited ("**AVA**") has performed a valuation of the 100% interest in HUH Broadband Communications Co., Ltd. ("**HUH**") and its wholly-owned subsidiaries, HNC Company Limited and Beijing China Satcom Unified Network Systems Technology Co., Ltd. (together, the "**Target Group**"), as a cash-generating unit ("**CGU**"). The valuation date is 31 March 2021 ("**Valuation Date**"). Our work in estimating the value-in-use of the Target Group as a CGU is to assist NGSC Limited ("**NGSC**" or the "**Client**") in its financial reporting in relation to Singapore Financial Reporting Standard (I) 1-36 *Impairment of Assets* ("**SFRS(I) 1-36**"). AVA is agreeable to allow NGSC to make reference to this valuation report in all the related announcements made on the Singapore Exchange ("**SGX**") and include our summary report into a shareholder's circular in relation to a proposed exit offer by the Company (the "**Circular**"). No other use, direct or indirect, of our analysis is intended or inferred or shall be relied upon by the Client other than explicitly specified in our engagement letter dated 14 May 2021.

Definition of Value

In estimating the value of the Target Group as a CGU, our efforts will consider the following premise of value.

Value-in-Use ("VIU") - *The present value of the future cash flows expected to be derived from an asset or cash-generating unit.*

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VALUATION REPORT ON THE TARGET GROUP

Scope of Work

NGSC has a 55% interest in HUH, held through its wholly owned subsidiary, China UnifiedNet Holdings Limited. As part of its annual audit, the company would like to assess the recoverable amount of the Target Group, as a CGU in accordance with SFRS(I) 1-36. SFRS(I) 1-36 defines a CGU as *“the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets”*. The Target Group has been determined as the CGU in this exercise.

Following our discussions with NGSC in relation to its financial reporting for SFRS(I) 1-36, AVA has been engaged to assist in the following:

- Determine the VIU of the Target Group as a CGU on a 100% basis; and
- Prepare financial models to assess the recoverable amount of the CGU based on the above methodology.

During our course of work, we were not required to perform the following tasks, as NGSC and its auditor have prepared them for this exercise.

- Determine and classify the CGU; and
- Assess the carrying amount of the CGU, which in this case is nil as at Valuation Date.

We understand our report may be referenced and included in the Circular for the purpose of the proposed exit offer. VIU can be a suitable reference of value for that purpose as well, as it requires an analysis of the future cash flows of the Target Group and indicates the value that can be realized from NGSC continuing to operate the business in its condition as at Valuation Date.

Our valuation and report are prepared in accordance with the International Valuation Standards (2020 edition) as published by the International Valuation Standard Committee, and guidelines provided by SFRS(I) 1-36.

The procedures used in our analysis included such substantive steps, as we considered necessary, including, but not necessarily limited to, the following:

- Preparation of an information checklist for information gathering;
- Discussions with appropriate individuals concerning operational and financial aspects of the CGU;
- Discussions with management to understand the CGU’s operations in more details including historical and estimated trends, services, and markets;
- Review of historical and projected financial information for the CGU;
- Analysis of conditions in, and the economic outlook for the satellite communications industry in China;
- Development of valuation model to estimate the VIU of the CGU, including gathering market and industry information in support of various assumptions;
- Preparation of draft reports for discussion with the Client; and
- Submission of the final report for the purpose of this exercise.

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VALUATION REPORT ON THE TARGET GROUP

Sources of Information

As part of our due diligence, we relied upon documents supplied by NGSC, including, but not limited to following.

- Unaudited consolidated financials of the CGU as at 31 March 2019, 31 March 2020 and 31 March 2021;
- Breakdown of key balance sheet items as at 31 March 2021; and
- Monthly forecast of the CGU for 2021 and 2022.

We planned and performed our valuation so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to express our opinion on the subject asset. In the course of our valuation, we held discussions with the management of NGSC concerning the history and current conditions of the business, financial and general outlook of the Target Group. We assumed that the data we obtained in the course of the valuation, along with the opinions and representations provided to us by the companies are true and accurate. We have, however, made reasonable enquiries and exercised our judgement on the reasonable use of such information and representations (as deemed necessary) provided to us, and have found no reason to doubt the accuracy or reliability of such information or representations which we have relied on. We also used financial and other information obtained from private and public sources we considered reliable. Our conclusions are dependent on such information being complete and accurate in all material respects. We believe the valuation procedures we employed provide a reasonable basis for our opinion.

This valuation report comprises:

- This letter, which describes the nature and extent of the valuation investigation, and presents the conclusion of value;
- A narrative report, which sets forth the history and nature of the operations, a description of valuation theory, and a presentation and correlation of the valuation techniques employed, and the conclusion of value; and
- The attached Valuation Schedules.

Conclusion

Based on the information provided, our analyses and conclusion, and subject to the attached Statement of General Assumptions and Limiting Conditions, we are of the opinion that the recoverable amount for the Target Group as the CGU, in its existing state as at Valuation Date, as represented by its VIU, is reasonably stated at NIL.

A full discussion of our approach and workings for the above items are presented in the following report.

We do not intend to express any opinion on matters which require legal or other specialized expertise or knowledge, beyond what is customarily employed by valuers. Our conclusions assume continuations of prudent management over whatever period of time that is reasonable and necessary to maintain the character and integrity of the assets valued.

The information contained in this report may include proprietary, sensitive and confidential information that has not been publicly disclosed. Release of this information to any other party could be damaging to NGSC and the Target Group.

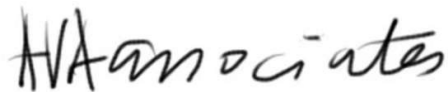
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VALUATION REPORT ON THE TARGET GROUP

This report is issued based on the understanding that management of NGSC have drawn our attention to all material matters which may have an impact on our report up to the date of this report. We are not required to update our report or any other information provided to you for events and circumstances arising after the issue of our final report.

We appreciate the opportunity to provide our valuation services. Please do not hesitate to contact us if you have any questions or if we can be of further assistance concerning this engagement. A copy of this report is retained in our files together with the data from which it was prepared.

Respectfully submitted,

AVA Associates Limited

A handwritten signature in black ink that reads "AVA Associates". The letters are cursive and slightly slanted to the right.

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VALUATION REPORT ON THE TARGET GROUP

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Abbreviations

AVA	AVA Associates Limited
BUN	Beijing China Satcom Unified Network Systems Technology Co., Ltd.
CGU	Cash-generating unit
Circular	Circular to be issued to shareholders of NGSC Limited
Client	NGSC Limited
CUH	China UnifiedNet Holdings Limited
DCF	Discounted cash flow
FY	Fiscal year ending 31 March
HCH	HCH Group Company Limited
HUH	HUH Broadband Communications Co., Ltd.
HNC	HNC Company Limited
HNS	Hughes Network Systems LLC
NAV	Net asset value
NGSC	NGSC Limited
PRC	People's Republic of China
SFRS(I) 1-36	Singapore Financial Reporting Standard (I) 1-36 - Impairment of Assets
SGX	Singapore Exchange Limited
Target Group	HUH Broadband Communication Co., Ltd. and its wholly-owned subsidiaries, HNC Company Limited and Beijing China Satcom Unified Network Systems Technology Co., Ltd.
Valuation Date	31 March 2021

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VALUATION REPORT ON THE TARGET GROUP

Introduction

Engagement

AVA Associates Limited (“**AVA**”) has been appointed by NGSC Limited (“**NGSC**” or the “**Client**”) to perform a valuation of the 100% interest in HUH Broadband Communications Co., Ltd. (“**HUH**”) and its wholly-owned subsidiaries, HNC Company Limited (“**HNC**”) and Beijing China Satcom Unified Network Systems Technology Co., Ltd. (“**BUN**”) (together, the “**Target Group**”), as a cash-generating unit (“**CGU**”). The valuation date is 31 March 2021 (“**Valuation Date**”). The valuation date for this exercise is 31 March 2021 (“**Valuation Date**”) and our work has been commissioned by the Client for their financial reporting purpose in relation to Singapore Financial Reporting Standard (I) 1-36 *Impairment of Assets* (“**SFRS(I) 1-36**”).

AVA is agreeable to allow NGSC to make reference to this valuation report in all the related announcements made on the Singapore Exchange (“**SGX**”) and include our summary report into a shareholder’s circular in relation to a proposed exit offer by the Company (the “**Circular**”). No other use, direct or indirect, of our analysis is intended or inferred or shall be relied upon by the Client other than explicitly specified in our engagement letter dated 14 May 2021.

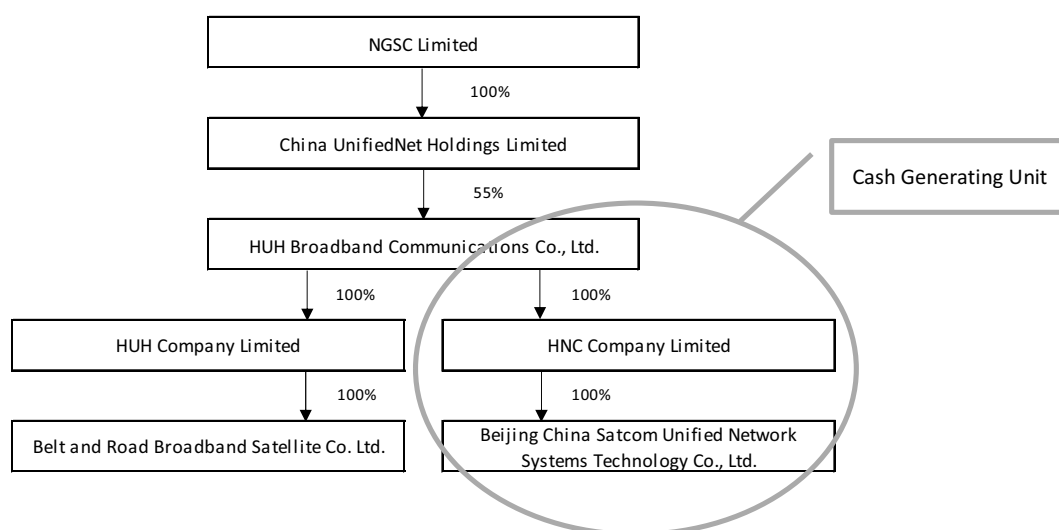
Definition of Value

In estimating the value of the Target Group as a CGU, our efforts will consider the following premise of value.

Value-in-Use (“VIU”) - *The present value of the future cash flows expected to be derived from an asset or cash-generating unit.*

Overview of the Target Group

Below is an overview of the Target Group’s structure.



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VALUATION REPORT ON THE TARGET GROUP

China UnifiedNet Holdings Limited

China UnifiedNet Holdings Limited (“**CUH**”), a wholly owned subsidiary of NGSC, is an investment holding company set up to hold the 55% interest HUH.

HUH Broadband Communication Co., Ltd.

HUH is the investment holding company to operate the business in China.

HNC Company Limited

HNC is a wholly foreign owned enterprise (WFOE) of HUH. The company is the exclusive distributor for Greater China region for Hughes Network Systems LLC (“**HNS**”). HNS, incorporated in the USA, is the world’s largest satellite communications equipment manufacture and service provider. HNC sells satellite communication equipment solutions (using core technology and products of HNS) to its custom ers in the Greater China region and provides broadband satellite services in the People’s Republic of China (“**PRC**”).

Beijing China Satcom Unified Network Systems Technology Co., Ltd.

BUN is involved in the development of internet and computer technology in PRC.

HUH Company Limited

HUH Company Limited is a dormant company as at Valuation Date. As such, it has been excluded from this exercise.

Belt and Road Broadband Satellite Co., Ltd.

Belt and Road Broadband Satellite Co., Ltd. is a dormant company as at Valuation Date. As such, it has been excluded from this exercise.

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Scope of Work

NGSC has a 55% interest in HUH, held through its wholly owned subsidiary, CUH. As part of its annual audit, the company would like to assess the recoverable amount of the Target Group, as a CGU in accordance with SFRS(I) 1-36. SFRS(I) 1-36 defines a CGU as *“the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets”*. The Target Group has been determined as the CGU in this exercise.

Following our discussions with NGSC in relation to its financial reporting for SFRS(I) 1-36, AVA has been engaged to assist in the following:

- Determine the VIU of the Target Group as a CGU on a 100% basis; and
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During our course of work, we were not required to perform the following tasks, as NGSC and its auditor have prepared them for this exercise.

- Determine and classify the CGU; and
- Assess the carrying amount of the CGU, which in this case is nil as at Valuation Date.

We understand our report may be referenced and included in the Circular for the purpose of the proposed exit offer. VIU can be a suitable reference of value for that purpose as well, as it requires an analysis of the future cash flows of the Target Group and indicates the value that can be realized from NGSC continuing to operate the business in its condition as at Valuation Date.

Our valuation and report are prepared in accordance with the International Valuation Standards (2020 edition) as published by the International Valuation Standard Committee, and guidelines provided by SFRS(I) 1-36.

The procedures used in our analysis included such substantive steps, as we considered necessary, including, but not necessarily limited to, the following:

- Preparation of an information checklist for information gathering;
- Discussions with appropriate individuals concerning operational and financial aspects of the CGU;
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- Review of historical and projected financial information for the CGU;
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Sources of Information

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- Unaudited consolidated financials of the CGU as at 31 March 2019, 31 March 2020 and 31 March 2021;
- Breakdown of key balance sheet items as at 31 March 2021; and
- Monthly forecast of the CGU for 2021 and 2022.

We planned and performed our valuation so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to express our opinion on the subject asset. In the course of our valuation, we held discussions with the management of NGSC concerning the history and current conditions of the business, financial and general outlook of the Target Group. We assumed that the data we obtained in the course of the valuation, along with the opinions and representations provided to us by the companies are true and accurate. We have, however, made reasonable enquiries and exercised our judgement on the reasonable use of such information and representations (as deemed necessary) provided to us, and have found no reason to doubt the accuracy or reliability of such information or representations which we have relied on. We also used financial and other information obtained from private and public sources we considered reliable. Our conclusions are dependent on such information being complete and accurate in all material respects. We believe the valuation procedures we employed provide a reasonable basis for our opinion.

Statement of Independence

We confirm that we have no present or contemplated interest in NGSC and the Target Group, which is the subject of this valuation, and are acting independently of all parties.

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VALUATION REPORT ON THE TARGET GROUP

General Valuation Overview

Introduction

Assets that are special purpose in nature may have little value if marketed piecemeal, yet may provide a substantial contribution to the business. This value can be estimated, and is termed value-in-use or value as part of a going concern.

A prudent investor is typically not as interested in the liquidation value of the individual assets, but rather in the contribution the assets make to future income streams or cash flows. Therefore, the premise of value-in-use is the proper basis for estimating the value of a continuing business.

During the course of our work, we held discussions with management of NGSC concerning the history, nature, and future prospects of the Target Group. Management of the Target Group provided certain historical and projected financial information. In the course of our valuation analysis, we relied upon such information as well as on information from various public, financial, and industry sources. Our conclusion is dependent on such information being complete and accurate in all material respects. We have made reasonable enquiries and exercised our judgement on the reasonable use of such information and representations (as deemed necessary) provided to us, and have found no reason to doubt the accuracy or reliability of such information or representations which we have relied on. However, as is customary in the business valuation profession, the scope of our work will not enable us to accept responsibility for the accuracy and completeness of such provided information.

Since the procedures we performed as related to the financial statements and projections on this assignment are limited in scope, and do not constitute an examination, review, or compilation of historical information in accordance with generally accepted auditing standards or an examination, review, or compilation of prospective information in accordance with established standards, we do not express an opinion on the financial, statistical, or other data provided by management included in our summary of findings.

The methods commonly used to develop approximate indications of value for a business or asset are the income, market, and cost approaches.

Income Approach

The income approach focuses on the income-producing capability of a business or asset. The income approach measures the current value of a business or asset by calculating the present value of its future economic benefits such as cash earnings, cost savings, tax deductions, and proceeds from disposition. Value indications are developed by discounting expected cash flows to their present value at a rate of return that incorporates the risk-free rate for the use of funds, the expected rate of inflation, and risks associated with the particular investment. The discount rate selected is generally based on rates of return available from alternative investments of similar type and quality as of the valuation date.

This approach allows for the prospective valuation of future profits and there are numerous empirical and theoretical justifications for the present value of expected future cash flows. However, this approach relies on numerous assumptions over a long time horizon and the result may be very sensitive to certain inputs. It also presents a single scenario only.

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VALUATION REPORT ON THE TARGET GROUP

Market Approach

The market approach measures the value of a business or asset through an analysis of recent sales or offerings of comparable businesses or assets. Adjustments are made to account for differences between the subject business or asset being valued and the comparable businesses or assets used in the analysis. The market approach measures the value of a business or asset through an analysis of recent sales or offerings of comparable businesses or assets. In estimating the value of a business under the market approach there are two methodologies: the publicly-traded guideline company methodology and the recent transaction methodology. The publicly-traded guideline company methodology develops an indication of value for the subject company by calculating market pricing multiples for selected publicly-traded guideline companies and applying these multiples to the appropriate financial measures of the subject company. The recent transaction methodology develops an indication of value for the subject company by calculating market pricing multiples based on actual acquisitions of similar businesses and applying these multiples to the appropriate financial measures of the subject company. After deriving a value, adjustments are then made to account for differences between the subject business or asset being valued and the comparable businesses or assets used in the analysis.

Cost Approach

The cost approach measures the value of a business or asset by the cost to reconstruct or replace it with another of like utility. To the extent that the assets being valued provide less utility than new assets, the reproduction or replacement cost would be adjusted to reflect appropriate physical deterioration, functional obsolescence, and economic obsolescence. The cost approach recognizes that a prudent investor would not ordinarily pay more for property or an asset than the cost to replace them new.

Selected Approach

The definition of VIU is the present value of the future cash flows expected to be derived from an asset or CGU. This necessitates the adoption of the income approach, under which we can employ a discounted cash flow (“DCF”) analysis on the future cash flows to derive a net present value as the VIU.

It is important to note the calculation is to be based on the future cash flows the entity itself expects to derive from the asset or CGU. The future cash inflows and outflows shall be derived from continuing use of the existing asset or CGU in its current condition. It shall not consider a future restructuring which the entity has not yet committed or plans to enhance the asset’s or CGU’s performance.

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Valuation Analysis - CGU

Historical Valuation of the Target Group

Below is a brief history of the valuation of the CGU.

April 2011	NGSC received the 55% equity interest in HUH for a consideration of S\$52.13 million. HUH, with its exclusive distribution agreement from HNS, was projected to secure projects in PRC and Taiwan.
FY2013	NGSC took a S\$43.4 million impairment loss of its investment in HUH.
FY2014-FY2016	NGSC made a reversal of S\$25.9 million to the impairment loss from FY2013. It was based on the valuation of HUH that was derived from a transaction involving the company's shares in February 2016.
FY2017	NGSC fully impairment its investment in HUH.
FY2018	An independent valuer opined that there was no commercial value for the equity interest of HUH.
FY2019	HNC began to secure contracts for its business and the independent valuer ascribed a value of S\$5.1 million for the 100% equity interest in HUH.
FY2020	HNC reported profits with contracted revenue expected for the next 3 years. Based on a 5-year forecast, the independent valuer ascribed a value of S\$41.34 million for the 100% equity interest in HUH.
30 September 2020	With various uncertainties arising from the global health pandemic in 2020 and funding issues at the CGU, the independent valuer was of the opinion that there was no commercial value to the business of the CGU as at 30 September 2020.

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Historical Performance of the Target Group

Below is a summary of the historical operating performance of the Target Group.

			Audited	Unaudited	Unaudited
			FY2019	FY2020	FY2021
			31-Mar-2019	31-Mar-2020	31-Mar-2021
Consolidated Profit & Loss (\$)					
Revenue					
Total Revenue			27,820,313	11,358,852	1,944,442
Growth Rate				-59.17%	-82.88%
Cost					
Total Cost			(24,371,884)	(4,052,030)	(2,056,321)
Growth Rate				-83.37%	-49.25%
Gross Profit			3,448,429	7,306,821	(111,879)
Gross Margin			12.40%	64.33%	-5.75%
Expense					
Operating Expense			(1,877,102)	(3,688,441)	(6,511,192)
Loss on disposal of subsidiary					
Total Expense			(1,877,102)	(3,688,441)	(6,511,192)
Growth Rate				96.50%	76.53%
Finance Cost				(483,006)	(913)
Debt-free Earning Before Tax			1,571,327	3,135,375	(6,623,984)
EBT Margin			5.65%	27.60%	-340.66%
Income Tax			0	0	0
Debt-free Net Profit			1,571,327	3,135,375	(6,623,984)

Source: Management

Key takeaways/observations from the performance above:

- For FY2021, HUH reported a 12-month operating loss of S\$6.6 million on sales of S\$1.9 million. Revenue has continued to decline from FY2019 to FY2021 due to delay and cancelation of demand, resulting from external economic factors, including the impact of the Covid-19 health crisis, and the Target Group's inability to successfully tender for new projects.
- Normalized operating expenses, excluding loss on long term investment of S\$181,161 in FY2020, loss from disposal of subsidiaries of S\$3,778,171 in FY2021 and interest expenses, were about S\$1.9 million, S\$3.5 million and S\$1.7 million in FY2019, FY2020 and FY2021 respectively. Adjusted earnings before interest and tax would be S\$1.9 million, S\$3.3 million and loss of S\$1.8 million in FY2019, FY2020 and FY2021 respectively.

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Historical Balance Sheet of the Target Group

Consolidated Balance Sheet (\$\$)				FY2019	FY2020	FY2021
NON CURRENT ASSETS						
Fixed assets				996,278	1,215,316	1,243,736
Accumulated depreciation				189,111	(1,012,045)	(1,140,346)
Fixed assets - software					5,319,961	5,435,278
Accumulated depreciation - software					(5,315,327)	(5,433,842)
				1,185,406	207,904	104,827
CURRENT ASSETS						
Amount due from immediate holding company				711,045	47,288	44,614
Trade receivables				1,678,192	1,276,103	1,866,047
Other receivables				10,144,823	166,302	1,682,732
Prepayment				1,906,172	1,531,598	1,335,289
Inventory				59,721	71,355	209,648
Cash/Bank				1,742,357	1,697,963	440,996
				16,242,309	4,790,610	5,579,325
TOTAL ASSETS				17,427,716	4,998,514	5,684,152
EQUITY						
				(2,726,175)	(1,261,233)	(5,212,120)
CURRENT LIABILITIES						
Accrued liabilities					17,448	(2,079)
Trade creditors				978,295	949,897	1,928,104
Other payables				18,405,783	3,502,765	4,806,744
HNC						
[017] 朝阳社保						12,351
[028] 其他						2,432
[034] 超霸电器 (深圳) 有限公司						2,839,105
[042] 张志芳						143,549
[066] HUGHES CHINA HOLDINGS COMPANY LIMITED						907,705
Loan from 赵雪松, 朱丽蓉, 卜军 CNY 1,000,000 from each of them						615,209
BUN						
[000011] 其他						5,738
[000012] 朝阳社保						1,889
HUH						
Other Payable - Hughes China Technology Ltd						270,334
Amount due from (to) Super Electric Motor Ltd						3
Amount Due From/(To) SSE						8,427
Amount due to immediate holding company					1,582,310	3,417,399
Amount due to ultimate holding company				5,720	6,483	38,815
Short term loan					80,288	0
Tax payable				225,988	(4,722)	(249,121)
Unearned revenue					125,278	0
Advance receipt				538,105	0	956,409
				20,153,891	6,259,748	10,896,272
TOTAL LIABILITIES & EQUITY				17,427,715	4,998,514	5,684,152

Source: Management

Key takeaways/observations from the figures above:

- The Target Group has been operating in a net liability position as loans from related parties, as recorded in "Other payable" and "Amount due to immediate holding company", have been taken to finance its operation.

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- Working capital employed, excluding the loans mentioned above, calculated at the end of period, is S\$1.9 million, S\$1.8 million and S\$0.8 million in FY2019, FY2020 and FY2021 respectively.
- Other payables of S\$4.8 million is largely made up of loans from several parties, largest being S\$2.8 million from a related company associated with a shareholder of NGSC.

Current Conditions of the Target Group

The CGU is a reseller of satellite communication equipment solutions (equipment and services), acting as the distributor for HNS in the Greater China region. The market for such solutions is project-based with large orders for equipment for installation, coupled with recurring needs for maintenance parts and support services. A typical process involves the CGU submitting its proposal for private and government projects in a tender process with the requisite requirements, as dictated by the customer.

We understand, as at Valuation Date, HNC is still the sole authorized seller of products and services from HNS for the Greater China region. A key aspect of the business model of the CGU is the requirement to have ample working capital investment to grow sales through adequate financing of its trade receivables and project tendering requirements. Unfortunately, as at Valuation Date, the Target Group is in a net liability position, relying on loans from related parties to finance its deficit and working capital requirements in recent years.

A key development that has hindered any progress and caused the declining state of business at the CGU is NGSC's inability to continue financing the Target Group. NGSC has had to restrict use of its own funds in order to comply with the listing rules of SGX. Below is a timeline on the development at NGSC in relation to its ability to deploy its cash resources.

3 December 2019	NGSC received a notice of delisting from SGX and was instructed to consider making a reasonable exit offer to its shareholders.
18 August 2020	SGX rejected NGSC's appeal for the delisting and did not approve the time extension requested.
26 January 2021	CUH received a letter of demand from HCH Group Company Limited (" HCH "), the 45% shareholder of HUH, for the advance of its proportionate shareholders' loan of US\$1.76 million.
18 May 2021	NGSC received a notice of compliance from SGX for the company to place 90% of its cash with an escrow agent for the purpose of making an exit offer to its shareholders.

From the series of events above, it is fair to conclude that NGSC could not continue financing HUH since August 2020. Financial support from its joint venture partner, HCH, also stopped with the issue of the letter of demand in January 2021.

With limited or no access to funds to finance the working capital needs of its operation, the Target Group has had to forgo recent sales and tender opportunities. In addition, overhead expenses continue to be incurred to service existing clients/contracts and maintain the operation and sales teams, in order to stay as a going concern.

APPENDIX G

VALUATION REPORT ON THE TARGET GROUP

Income Approach – DCF Analysis

NGSC has provided us with a 2-year financial projection, accompanied by assumptions adopted by the Target Group for its forecasted operation in 2021 and 2022. A summary is provided below.

	2021		2022	
	RMB	S\$	RMB	S\$
Revenue	21,411,319	4,390,399	16,589,000	3,401,581
Costs	(26,957,134)	(5,527,571)	(23,424,493)	(4,803,202)
Operating Profit/(Loss)	(5,545,815)	(1,137,172)	(6,835,493)	(1,401,621)

Note: Based on exchange rate of RMB4.87685/S\$ as taken from XE Currency.

As seen from the forecast, the Target Group, in its existing state, is expected to continue operating at a loss, with no significant new projects forecasted. It is also likely, with that set of projections, for the Target Group to require cash injection to continue in 2021. Under such a scenario, a DCF model will yield a negative net present value, which would lead to a conclusion of NIL as the VIU of the CGU.

Conclusion – Value-in-Use of the CGU

The VIU of the Target Group relies on the future cash inflows and outflows that the Target Group expects to derive from the CGU, in its current condition.

A summary of the current conditions of the Target Group is as follows:

- As a CGU, it is unable to tender for or procure significant new project due to a lack of funds.
- Existing contracts do not produce sufficient cash inflows.
- Current cash outflows are needed to maintain the core operation.
- Existing shareholders are unable to inject new funds into the CGU.
- Other sources of funds may be limited as the CGU's main assets are intangibles such as its exclusive distribution agreement with HNS and its business network of customers and suppliers.

Based on the valuation literature on VIU, any forecast of future cash flows from the existing business, to be generated by the Target Group, other than the 2-year forecast provided, will be highly subjective given the current conditions of the Target Group. Without the ability to plan and undergo restructuring to raise capital, we are of the opinion that the VIU of the CGU, in its existing state, is reasonably concluded as NIL.

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APPENDIX G

VALUATION REPORT ON THE TARGET GROUP

Summary of Valuation

Based on the information provided, our analyses and conclusion, and subject to the attached Statement of General Assumptions and Limiting Conditions, we are of the opinion that the recoverable amount for the Target Group as the CGU, in its existing state as of Valuation Date, as represented by its VIU, is reasonably stated at NIL.

Users of this valuation report should be mindful that value is time dependent. In estimating the value, AVA has taken into consideration the available information, all known factors and market environment of the subject of valuation as at Valuation Date. The Valuation Date is the specific point in time as of which our opinion of value applies. This fundamental principle forbids the application of hindsight and removes any use of retrospective evidence such as data or information in forming the assessment of value, unless these facts would reasonably have been known or knowable as at Valuation Date. Our valuation is strictly guided by this principle.

We do not intend to express any opinion on matters which require legal or other specialized expertise or knowledge, beyond what is customarily employed by valuers. Our conclusions assume continuations of prudent management over whatever period of time that is reasonable and necessary to maintain the character and integrity of the assets valued.

This report is issued based on the understanding that management of the Target Group have drawn our attention to all material matters which may have an impact on our report up to the date of this report. We are not required to update our report or any other information provided to you for events and circumstances arising after the issue of our final report.

The information contained in this report may include proprietary, sensitive and confidential information that has not been publicly disclosed. Release of this information to any other party could be damaging to NGSC and the Target Group.

APPENDIX G

VALUATION REPORT ON THE TARGET GROUP

Exhibit 1 - Statement of General Assumption and Limiting Conditions
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1. This analysis is subject to the following general assumptions and limiting conditions:
2. No investigation has been made of, and no responsibility is assumed for, the legal description of the property being valued or legal matters, including title or encumbrances. Title to the property is assumed to be good and marketable unless otherwise stated. The property is assumed to be free and clear of any liens, easements, encroachments, and other encumbrances unless otherwise stated.
3. Information furnished by others, upon which all or portions of this valuation is based, is believed to be reliable but has not been verified except as set forth in this report. No warranty is given as to the accuracy of such information.
4. This report has been made only for the purpose stated and shall not be used for any other purpose. Neither this report nor any portions thereof (including, without limitations, any conclusions, the identity of AVA or any individuals signing or associated with this report, or the professional associations or organizations with which they are affiliated) shall be disseminated to third parties other than the Company and its financial accounting firm, by any means without the prior written consent and approval of AVA.
5. This appraisal has been made in conformance with the International Valuation Standards issued by the International Valuation Standards Council.
6. Neither AVA nor any individual signing or associated with this report shall be required by reason of this report to give further consultation, provide testimony or appear in court or other legal proceedings unless specific arrangements therefore have been made.
7. No responsibility is taken for changes in market conditions and no obligation is assumed to revise this report to reflect events or conditions, which occur subsequent to the valuation date hereof.
8. The date of value to which the estimate expressed in this report applies is set forth in the beginning of this report. This valuation is valid only for the valuation date indicated. Our analysis is based on the purchasing power of the Chinese Renminbi as of that date.
9. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government, or private entity or organization have been or can readily be obtained or renewed for any use on which the value estimate provided in this report is based.
10. Full compliance with all applicable federal, state, and local zoning and use, occupancy, environmental, and similar laws and regulations is assumed, unless otherwise stated.
11. Responsible ownership and competent management are assumed.
12. The value estimate is predicated on the financial structure prevailing as of the date of this analysis.
13. This report may not be included or referred to in any statutory filing or other public document.
14. This is a Summary Report. As such, it might not include full discussions of the data, reasoning, and analyses that were used in the valuation process to develop the valuation professional's estimate of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the valuation professional's file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The valuation professional is not responsible for unauthorized use of this report.

APPENDIX G

VALUATION REPORT ON THE TARGET GROUP

Exhibit 2 - Valuer's Professional Declaration
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The following valuers certify, to the best of their knowledge and belief, that:

- The statements of fact contained in this report are true and correct;
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions;
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved;
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
- My engagement in this assignment was not contingent upon developing or reporting predetermined results;
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal; and
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the International Valuation Standards published by the International Valuation Standards Committee.

Thomas Chua
Director, Valuation
MBA, CVA 100233

Jack Li
Reviewer, Valuation
CFA, MRICS 6519016

APPENDIX H

AUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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 2021.

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 2021 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:

Executive director

Dr. Michael Kuan-Chi Sun

Non-executive non-independent directors

Sri Tjintawati Hartanto

Wang Xiao Zheng

Independent directors

Chew Chin Wee

(Resigned on 20 April 2021)

Ong Tiang Lock (Lead Independent director)

(Resigned on 17 November 2020)

Miao Ming Feng

(Resigned on 30 June 2020)

Lee Chia Sin

(Appointed on 26 April 2021)

Mahtani Bhagwandas

(Appointed on 8 May 2021)

Ng Yoke Ping, Pauline

(Appointed on 6 July 2020, Resigned on 16 June 2021)

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.

APPENDIX H

AUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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 2020 or date of appointment	At 31 March 2021	At 21 April 2021	At 1 April 2020 or date of appointment	At 31 March 2021	At 21 April 2021
Company						
<i>Ordinary shares</i>						
Sri Tjintawati Hartanto	2,203,000	2,203,000	2,203,000	-	-	-
Dr. Michael Kuan-Chi Sun	9,000,000	9,000,000	9,000,000	-	-	-
Mahtani Bhagwandas	3,000	3,000	3,000			

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 Lee Chia Sin (Chairman of Remuneration Committee), Mahtani Bhagwandas, and Wang Xiao Zheng.

APPENDIX H
AUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

**DIRECTORS’
STATEMENT**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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 2021	Aggregate number of performance shares granted since the commencement of the PSS to the end of the financial year ended 31 March 2021	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 2021	Aggregate number of performance shares outstanding as at the end of the financial year ended 31 March 2021
Director				
Sri Tjintawati Hartanto	-	2,203,000	2,203,000	-
Dr. Michael Kuan-Chi Sun	-	9,000,000	9,000,000	-

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.

(ii) Share options

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

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.

DIRECTORS’ STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

6 Audit committee

The Audit Committee comprises three Independent Directors, namely:

Mr Chew Chin Wee	(Resigned on 20 April 2021)
Mr Ong Tiang Lock	(Resigned on 17 November 2020)
Mr Miao Ming Feng	(Resigned on 30 June 2020)
Mr Lee Chia Sin	(Appointed on 26 April 2021)
Mr Mahtani Bhagwandas	(Appointed on 8 May 2021)
Madam Sri Tjintawati Hartanto	

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 2021 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 indicated that they will not be seeking re-appointment as auditor of the Company.

On behalf of the Board of Directors

Michael Kuan-Chi Sun
Director

11 August 2021

Mahtani Bhagwandas
Director

APPENDIX H
AUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

INDEPENDENT
AUDITOR'S REPORT
TO THE MEMBERS OF NGSC LIMITED
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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 2021, 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 2021, 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.

INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF NGSC LIMITED
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

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 matter	How the matter was addressed in the audit
Impairment assessment of investment in joint ventures	
<p>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.</p> <p>Adjustments to impairment is affected when the recoverable amount of the joint venture materially varies against its carrying amount.</p> <p>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.</p> <p>Based on independent valuation using value in use basis, the value in use the joint venture was deemed to have no commercial value. Accordingly, during the financial period, the Group recognised an additional impairment loss of \$24.07 million to profit or loss. As of 31 March 2021, the Group's investment in joint ventures is fully impaired.</p> <p>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.</p>	<p>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:</p> <ol style="list-style-type: none">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; and7) 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.

APPENDIX H
AUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

INDEPENDENT
AUDITOR'S REPORT
TO THE MEMBERS OF NGSC LIMITED
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

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.

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.

INDEPENDENT

AUDITOR'S REPORT

TO THE MEMBERS OF NGSC LIMITED
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

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.
- 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.

APPENDIX H
AUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

INDEPENDENT
AUDITOR'S REPORT
TO THE MEMBERS OF NGSC LIMITED
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

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

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. Ravintran Arumugam.

RT LLP

Public Accountants and
Chartered Accountants

Singapore, 11 August 2021

APPENDIX H
AUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Note	2021 \$'000	2020 \$'000
Revenue	4	-	-
Other income	5	2,898	21,550
Administrative expenses		(1,855)	(1,779)
Other expenses		(24,025)	(1,935)
Share of (loss)/profit of joint ventures	11	(1,074)	1,763
(Loss)/profit before income tax	6	(24,056)	19,599
Income tax (expense)/credit	8	(3)	116
(Loss)/profit for the financial year		(24,059)	19,715
Other comprehensive (loss)/income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
- Currency translation differences arising on consolidation		(2,935)	493
Other comprehensive (loss)/income for the financial year, net of tax		(2,935)	493
Total comprehensive (loss)/income		(26,994)	20,208
(Loss)/Income attributable to:			
Equity holders of the Company		(24,050)	19,761
Non-controlling interests		(9)	(46)
		(24,059)	19,715
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company		(26,985)	20,254
Non-controlling interests		(9)	(46)
		(26,994)	20,208
Earnings per share for (loss)/profit attributable to equity holders of the Company (cents per share)			
- Basic	9	(0.3743)	0.3076
- Diluted	9	(0.3743)	0.3076

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

APPENDIX H
AUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

**STATEMENTS OF
FINANCIAL POSITION**
AS AT 31 MARCH 2021

		Group		Company	
	Note	2021	2020	2021	2020
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment	10	240	240	240	240
Investment in joint ventures	11	-	22,736	-	-
Investment in subsidiaries	12	-	-	55	45,092
		240	22,976	295	45,332
Current assets					
Trade receivables	13	-	-	-	-
Other receivables, deposits and prepayments	14	268	93	256	87
Amounts due from subsidiaries	15	-	-	-	12,994
Cash and bank balances	16	13,631	15,463	13,606	2,493
Income tax receivable		-	2	-	-
		13,899	15,558	13,862	15,574
Total assets		14,139	38,534	14,157	60,906
Current liabilities					
Amounts due to subsidiaries	15	-	-	38	37,717
Trade payables	17	-	11	-	-
Other payables and accruals	18	3,691	1,089	1,301	993
Lease liability	23	92	86	92	86
Income tax payable		1	-	-	-
		3,784	1,186	1,431	38,796
Non-current liabilities					
Lease liability	23	155	154	155	154
Total liabilities		3,939	1,340	1,586	38,950
Net assets		10,200	37,194	12,571	21,956
Capital and reserves attributable to equity holders of the Company					
Share capital	19	145,623	145,623	145,623	145,623
Treasury shares	20	(1,219)	(1,219)	(1,219)	(1,219)
Capital reserve	21	(169)	(169)	(169)	(169)
Settlement shares	22	(1,140)	(1,140)	(1,140)	(1,140)
Currency translation reserve		(303)	2,632	-	-
Accumulated losses		(132,513)	(108,463)	(130,524)	(121,139)
		10,279	37,264	12,571	21,956
Non-controlling interests		(79)	(70)	-	-
Total equity		10,200	37,194	12,571	21,956

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

APPENDIX H
AUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

Group	Share capital \$'000	Treasury shares \$'000	Capital reserve \$'000	Settlement shares \$'000	Currency translation reserve ⁽¹⁾ \$'000	Accumulated losses \$'000	Non- controlling interests \$'000	Total \$'000
Balance at 01.04.2019	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
Loss for the financial year	-	-	-	-	-	(24,050)	(9)	(24,059)
Other comprehensive loss for the financial year, net of tax:								
- Currency translation difference arising on consolidation	-	-	-	-	(2,935)	-	-	(2,935)
Total comprehensive loss for the financial year	-	-	-	-	(2,935)	(24,050)	(9)	(26,994)
Balance at 31.03.2021	145,623	(1,219)	(169)	(1,140)	(303)	(132,513)	(79)	10,200

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.

APPENDIX H
AUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

**STATEMENT OF
CHANGES IN EQUITY**
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

Company	Share capital \$'000	Treasury shares \$'000	Capital reserve \$'000	Settlement shares \$'000	Accumulated losses \$'000	Total \$'000
Balance at 01.04.2019	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
Loss for the financial year, representing total comprehensive loss for the financial year	-	-	-	-	(9,385)	(9,385)
Balance at 31.03.2021	145,623	(1,219)	(169)	(1,140)	(130,524)	12,571

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

APPENDIX H
AUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	2021	2020
Note	\$'000	\$'000
Cash flows from operating activities		
(Loss)/profit before income tax	(24,056)	19,599
Adjustments for:		
Impairment loss on other receivables	14 -	40
Impairment loss on investment in joint venture	11 24,069	-
Interest income	5 (39)	(119)
Reversal of impairment loss on investment in joint ventures	11 -	(18,215)
Reversal of impairment loss on other receivables	14 -	(163)
Interest on lease liability	23(b) 3	4
Depreciation of property, plant and equipment	10 85	89
Gain on disposal of subsidiaries	5 (1,362)	(2,723)
Share of loss/(profit) of joint ventures	11 1,074	(1,763)
Rent concession	(12)	-
Unrealised currency translation gain	(1404)	(464)
Total adjustments	22,414	(23,314)
Operating cash flows before changes in working capital	(1,642)	(3,715)
<u>Changes in working capital</u>		
Other receivables, deposits and prepayments	(175)	3,406
Trade payables	(11)	(206)
Other payables and accruals	235	(445)
Interest received	39	119
Total changes in working capital	88	2,874
Net cash used in operating activities	(1,554)	(841)
Cash flows from investing activities		
Proceeds from disposal of subsidiaries, net of cash disposed of	(13)	(319)
Purchase of property, plant and equipment	10 (4)	-
Refund of deposits placed with broker for margin call	-	600
Other receivables	-	-
Net cash (used in)/generated from investing activities	(17)	281
Cash flows from financing activities		
Lease liabilities – principal portion paid	(63)	(81)
Lease liabilities – interest portion paid	(3)	(4)
Other payables and accruals	(4)	(736)
Net cash used in financing activities	(70)	(821)

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

APPENDIX H
AUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

**CONSOLIDATED STATEMENT OF
CASH FLOWS**
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	2021	2020
Note	\$'000	\$'000
Net decrease in cash and cash equivalents	(1,641)	(1,381)
Cash and cash equivalents at beginning of financial year	15,463	16,661
Effect of exchange rate changes on cash and cash equivalents	(191)	183
Cash and cash equivalents at end of financial year	16 13,631	15,463

Reconciliation of liabilities arising from financing activities

	1 April 2020	Cashflows	Non-cash changes				31 March 2021
			Accretion of interest	Modification of lease liability	Rent Concession	Others	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Director related company (Note 18)	4	(4)	-	-	-	-	-
Third parties (Note 18)	93	-	-	-	-	-	93
Lease liability							
- current	86	(66)	3	-	(12)	81	92
- non-current	154	-	-	82	-	(81)	155
	337	(70)	3	82	(12)	-	340

	1 April 2019	Cashflows	Non-cash changes			31 March 2020
			Accretion of interest	Adoption of SFRS(I)16	Others	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Director related company (Note 18)	459	(455)	-	-	-	4
Third parties (Note 18)	374	(281)	-	-	-	93
Lease liability						
- current	-	(85)	4	81	86	86
- non-current	-	-	-	240	(86)	154
	833	(821)	4	321	-	337

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2 Summary of significant accounting policies (cont'd)

2.2 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
Amendment to SFRS(I) 16 Leases: Covid-19-Related Rent Concessions	1 June 2020
Amendments to SFRS(I) 9 Financial Instruments, SFRS(I) 1-39 Financial Instruments: Recognition and Measurement, SFRS(I) 7 Financial Instruments: Disclosures, SFRS(I) 16 Leases: Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendment to SFRS(I) 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2023
Amendment to SFRS(I) 1-8 Definition of Accounting Estimates	1 January 2023
Amendments to SFRS(I) 10 Consolidated Financial Statements and SFRS (I) 1-28 Investments in Associates and Joint Ventures: 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.

2.3 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2 Summary of significant accounting policies (cont'd)

2.3 Basis of consolidation (cont'd)

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 2.6 to the financial statements.

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.

**NOTES TO THE
FINANCIAL STATEMENTS**
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2 Summary of significant accounting policies (cont'd)

2.4 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.

2.5 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2 Summary of significant accounting policies (cont'd)

2.5 Joint venture (Equity – accounted investees) (cont'd)

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.

2.6 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 2.5 to the financial statements.

2.7 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.

**NOTES TO THE
FINANCIAL STATEMENTS**
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2 Summary of significant accounting policies (cont'd)

2.7 Property, plant and equipment (cont'd)

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.

2.8 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2 Summary of significant accounting policies (cont'd)

2.9 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.

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.

NOTES TO THE
FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2 Summary of significant accounting policies (cont'd)

2.9 Financial assets (cont'd)

At subsequent measurement (cont'd)

(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.

2.10 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2 Summary of significant accounting policies (cont'd)

2.11 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.

2.12 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.

2.13 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.

2.14 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.

**NOTES TO THE
FINANCIAL STATEMENTS**
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2 Summary of significant accounting policies (cont'd)

2.15 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.

2.16 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) As lessee

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2 Summary of significant accounting policies (cont'd)

2.16 Leases (cont'd)

(a) As lessee (cont'd)

As a lessee (cont'd)

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.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property as a separate line item and lease liabilities as a separate line item in the statement of financial position.

**NOTES TO THE
FINANCIAL STATEMENTS**
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2 Summary of significant accounting policies (cont'd)

2.17 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.

2.18 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2 Summary of significant accounting policies (cont'd)

2.18 Income taxes (cont'd)

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.

2.19 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.

**NOTES TO THE
FINANCIAL STATEMENTS**
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2 Summary of significant accounting policies (cont'd)

2.19 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.

2.20 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2 Summary of significant accounting policies (cont'd)

2.21 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.

2.22 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.

2.23 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.

**NOTES TO THE
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2 Summary of significant accounting policies (cont'd)

2.24 Government grants

Government grants are recognised as a receivable when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the fair value is recognised as deferred income on the statement of financial position and is recognised as income in equal amounts over the expected useful life of the related asset. When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

3.1 Critical judgment in applying the Group's accounting policies (cont'd)

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 2021 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.

c) Determination of Lease Term of Contracts with Extension Options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has one lease contract that includes an extension option. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to extend the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the extension. After the commencement date, the Company reassesses the lease term whether there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend.

The Company included the extension option in the lease term for leases of leasehold buildings because of the leasehold improvements made and the costs that would arise to replace the assets.

**NOTES TO THE
FINANCIAL STATEMENTS**
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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) 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 2021 is \$1,000 and Nil (2020: \$2,000 and Nil) respectively.

The Group has unutilised tax losses amounting to approximately \$4.65 million (2020: \$4.65 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.

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AUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

5 Other income

	Group	
	2021	2020
	\$'000	\$'000
Interest income	39	119
Gain on disposal of subsidiaries	1,362	2,723
Foreign exchange gain	1,419	-
Reversal of impairment loss in joint venture	-	18,215
Reversal of impairment loss in other receivables	-	163
Non-trade payables written off	-	330
Government grants	66	-
Rent concession	12	-
	2,898	21,550

6 (Loss)/Profit before income tax

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

	Group	
	2021	2020
	\$'000	\$'000
Impairment loss on other receivables (Note 14)	-	40
Impairment loss on joint venture (Note 11)	24,069	-
Reversal of impairment loss on investment in joint ventures (Note 11)	-	(18,215)
Interest on lease liability (Note 23(b))	3	4
Audit fees		
- auditors of the Company-current year	155	75
- other auditors of subsidiaries-current year	18	19
Depreciation of property, plant and equipment (Note 10)	85	89
Employee benefits expense (Note 7)	409	363
Legal and professional expenses	513	128

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AUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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7 Employee benefits expense

	Group	
	2021	2020
	\$'000	\$'000
Directors' remuneration (including Performance Share Scheme):		
- directors of holding company		
- salaries and allowance	98	88
- employer's contributions to defined contribution plans	16	7
- directors of subsidiaries	-	-
	114	95
Key management personnel (non-director)		
- salaries and allowance	156	143
- employer's contributions to defined contribution plans	13	13
	169	156
Total compensation of key management personnel [Note 24(c)]	283	251
Other personnel		
- salaries and allowance	102	96
- employer's contributions to defined contribution plans	24	16
	126	112
Total employee benefits expense (Note 6)	409	363

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 expense/(credit)

Income tax expense/(credit) attributable to profit for the financial year is as follows:

	Group	
	2021	2020
	\$'000	\$'000
Income tax		
- current	3	8
- over provision in prior year	-	(124)
	3	(116)

APPENDIX H
AUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS

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8 Income tax expense/(credit) (cont'd)

A reconciliation of the income tax expense/(credit) and the accounting (loss)/profit multiplied by the statutory rate is as follows:

	Group	
	2021	2020
	\$'000	\$'000
(Loss)/profit before tax	(24,056)	19,599
Income tax credit at the statutory rate of 17% (2020: 17%)	(4,090)	3,332
Effects of:		
- Non-deductible expenses	4,102	-
- Income not subject to tax	(245)	(3,324)
- Tax exemption	(4)	-
- Others	240	-
- Over provision in prior year	-	(124)
Income tax expense/(credit)	3	(116)

The Group has unused tax losses of approximately \$4.65 million (2020: \$4.65 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	
	2021	2020
	\$'000	\$'000
The calculation of earnings per share is based on the following:		
(Loss)/profit attributable to the equity holders of the Company	(24,050)	19,761
<u>Number of shares</u>		
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	(0.3743)	0.3076
- Diluted	(0.3743)	0.3076

APPENDIX H
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10 Property, plant and equipment

Group	Leasehold improvement \$'000	USO equipment \$'000	Plant and equipment \$'000	Total \$'000
Cost				
Balance at 1.4.2019	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	-	55	422
Additions	-	-	4	4
Modification of lease liability	90	-	-	90
Balance at 31.3.2021	457	-	59	516
Accumulated depreciation				
Balance at 1.4.2019	323	5,061	635	6,019
Charge for the financial year (Note 6)	85	1	3	89
Written off and disposal	(279)	(5,062)	(585)	(5,926)
Balance at 31.3.2020	129	-	53	182
Modification of lease liability	9	-	-	9
Charge for the financial year	82	-	3	85
Balance at 31.3.2021	220	-	56	276
Carrying amount				
At 31.3.2020	238	-	2	240
At 31.3.2021	237	-	3	240

NOTES TO THE FINANCIAL STATEMENTS

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10 Property, plant and equipment (cont'd)

Company	Leasehold improvement \$'000	Plant and equipment \$'000	Total \$'000
Cost			
Balance at 1.4.2019	46	55	101
Additions	321	-	321
Balance at 31.3.2020	367	55	422
Additions	-	4	4
Modification of lease liability	90	-	90
Balance at 31.3.2021	457	59	516
Accumulated depreciation			
Balance at 1.4.2019	45	50	95
Charge for the financial year	84	3	87
Balance at 31.3.2020	129	53	182
Modification of lease liability	9	-	9
Charge for the financial year	82	3	85
Balance at 31.3.2021	220	56	276
Carrying amount			
At 31.3.2020	238	2	240
At 31.3.2021	237	3	240

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 23 (a).

During the financial year, the Group and the Company renegotiated and modified an existing lease contract for office by extending the lease term by another 1 year at revised lease payments. As this extension is not part of the terms and conditions of the original lease contract, it is accounted for as a lease modification with an addition to the right-of-use assets, presented under 'Property, plant and equipment'.

Leasehold improvements consist of renovation cost of S\$46k and S\$473k of right-of-use assets. The renovation cost has been fully depreciated during the year.

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11 Investment in joint ventures

	Group	
	2021	2020
	\$'000	\$'000
Unquoted equity shares, at cost	52,162	52,162
Increase during the year	2,371	-
Group's share of post-acquisition losses	(1,599)	(525)
Accumulated impairment loss	(52,712)	(28,643)
Currency alignment	(222)	(258)
	-	22,736

The movement in accumulated impairment loss is as follows:

	Group	
	2021	2020
	\$'000	\$'000
Balance at beginning of the financial year	28,643	46,858
Charge/(Reversal) for the financial year	24,069	(18,215)
Balance at end of the financial year	52,712	28,643

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	
			2021	2020
			%	%
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				
HUH Company Limited	Trading in satellite communication system devices	Hong Kong SAR	55	55
Held through HUH				
HNC Company Limited (Shenzhen)	Trading in satellite communication system devices	People's Republic of China	55	55

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11 Investment in joint ventures (cont'd)

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

Name of companies	Principal activities	Country of incorporation/ place of business	Proportion of ownership interests	
			2021 %	2020 %
Held through HNC Company Limited (Shenzhen)				
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
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
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 2021.

⁽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").

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11 Investment in joint ventures (cont'd)

During the current financial year, HUH has requested for a shareholder's loan of US\$1.76 million (approximately S\$2.37 million) from its shareholder, CUH. This loan is to be used to settle the liabilities of the HUH Group and for it to continue as a going concern. CUH, through legal advice obtained has recognized this liability of shareholders loan bearing on the shareholder agreement CUH has entered into with its joint venture partner, HughesNet China Holdings Limited. Based on the enforceability of the loan through the shareholders agreement, CUH has correspondingly capitalized the loan payable to HUH.

During 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 2 year period. The use of the VIU valuation involved significant judgement in the forecast projection of sales and operating cash flows for the next two years. The VIU valuation included assumptions of terminal growth rate and weighted cost of capital ("WACC").

An impairment loss of S\$24.07 million was recognised in current financial year to write down the carrying amount of this joint venture to its recoverable amount of S\$0.

NOTES TO THE FINANCIAL STATEMENTS

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11 Investment in joint ventures (cont'd)

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.

	HUH Group \$'000	Indo EM Holdings \$'000	2021 \$'000 Total	2020 \$'000 Total
<u>Summarised statement of profit or (loss) and other comprehensive income/(loss)</u>				
Revenue	1,969	-	1,969	11,712
(Loss)/Profit after tax	(6,624)	-	(6,624)	3,427
Total comprehensive (loss)/income	(6,624)	-	(6,624)	3,427
Amortisation of intangible assets	(3)	-	(3)	(634)
Depreciation of property, plant and equipment	(103)	-	(103)	(112)
<u>Summarised statement of financial position</u>				
Non-current assets	105	-	105	208
Current assets	5,685	-	5,685	11,613
Current liabilities	(10,898)	(44)	(10,942)	(12,917)
Total equity attributed to the equity holders of the Company	(5,108)	(44)	(5,152)	(1,096)

Included in the summarised statement of financial position are cash and cash equivalents amounting to \$0.44 million (2020: \$1.70 million) for the financial year ended 31 March 2021.

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

	HUH Group \$'000	Indo EM Holdings \$'000	2021 \$'000 Total	2020 \$'000 Total
Group's share of net liabilities based on proportion of ownership interest	(2,809)	(24)	(2,833)	(603)
Goodwill on acquisition	51,077	24	51,101	51,103
Increase during the year	2,371	-	2,371	-
Accumulated impairment loss	(52,712)	-	(52,712)	(28,643)
Translation differences on consolidation	2,073	-	2,073	879
Balance at end of the financial year	-	-	-	22,736

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AUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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12 Investment in subsidiaries

	Company	
	2021	2020
	\$'000	\$'000
Unquoted equity shares, at cost	65,725	65,725
Accumulated impairment loss	(41,648)	(20,633)
Disposal of subsidiaries	(24,022)	-
Balance at end of the financial year	55	45,092

The movement in accumulated impairment loss is as follows:

	Company	
	2021	2020
	\$'000	\$'000
Balance at beginning of the financial year	20,633	38,848
Charge during the financial year / (Reversal of impairment loss)	21,015	(18,215)
Balance at end of the financial year	41,648	20,633

Name of companies	Principal activities	Country of incorporation / place of business	Proportion of ownership interest	
			2021	2020
			%	%
Ban Joo Global Pte Ltd ⁽¹⁾	Investment holding	Singapore	100	100
VIP (HK) Ltd ("VIP HK") ⁽²⁾⁽⁴⁾	Investment holding and satellite telecommunications related sales and services rendering	Hong Kong SAR	-	100
China UnifiedNet Holdings Limited ⁽³⁾⁽⁴⁾	Investment holding	British Virgin Islands	100	100
Arch Capital Limited	Holder of convertible note	British Virgin Islands	-	100
Hillgo Asia Limited	Holder of convertible note	British Virgin Islands	-	100
NGSC Investment Management Pte Ltd ⁽¹⁾	Investment holding	Singapore	100	100
NGSC Capital Pte. Ltd. ⁽¹⁾⁽⁴⁾	Investment holding	Singapore	55	55

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AUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

12 Investment in subsidiaries (cont'd)

Name of companies	Principal activities	Country of incorporation / place of business	Proportion of ownership interest	
			2021 %	2020 %
Held through VIP (HK) Ltd				
Multi Bright (HK) Ltd	Investment holding	Hong Kong SAR	-	100
Star Light Telemedia DC Limited ("SLTL")	Provision of data centre services	Hong Kong SAR	-	100
Held through NGSC Capital Pte Ltd				
NGSC Investment Limited ⁽²⁾	Investment holding	Hong Kong SAR	55	55
NGSC Capital Limited ⁽³⁾⁽⁴⁾	Investment holding	Cayman Islands	55	55

⁽¹⁾ Audited by AG Assurance, Singapore.

⁽²⁾ Audited by World Link CPA Limited for local statutory reporting.

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

⁽⁴⁾ Audited by RT LLP, Singapore, for the purpose of expressing an opinion on the consolidated financial statements for the financial year ended 31 March 2021.

⁽⁵⁾ Not required to be audited as it was dormant during the financial years ended 31 March 2021 and 31 March 2020.

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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.

	2021 \$'000	2020 \$'000
<u>Summarised statement of comprehensive income</u>		
Revenue	-	-
Loss after tax	(19)	(101)
Total comprehensive loss	<u>(19)</u>	<u>(101)</u>
Loss after tax attributable to NCI	(9)	(46)
Total comprehensive loss attributable to NCI	(9)	(46)
<u>Summarised statement of financial position</u>		
Non-current assets	-	-
Current assets	8	5
Current liabilities	(173)	(159)
Net liabilities	<u>(165)</u>	<u>(154)</u>
Net liabilities attributable to NCI	(74)	(70)
<u>Summarised statement of cash flows</u>		
Cash flows from operating activities	-	(86)
Cash flows from investing activities	-	-
Cash flows from financing activities	-	-
Net decrease in cash and cash equivalent	<u>-</u>	<u>(86)</u>

On 31 August 2020, the Group disposed of its entire equity interest in VIP (HK) Limited ("VIP") and its subsidiaries, Arch Capital Limited ("ACL") and Hillgo Asia Limited ("HAL").

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AUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS

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12 Investment in subsidiaries (cont'd)

Analysis of assets and liabilities over which control was lost

	VIP 2021 \$'000	ACL 2021 \$'000	HAL 2021 \$'000	Total 2021 \$'000
Cash and cash equivalent	-	15	13	28
Goodwill	-	(735)	-	(735)
Other receivables	95	-	-	95
Fair value reserve	-	(485)	(250)	(735)
Net liabilities disposed of	95	(1,205)	(237)	(1,347)

Consideration received

	VIP 2021 \$'000	ACL 2021 \$'000	HAL 2021 \$'000	Total 2021 \$'000
Cash consideration received	-	2	13	15

Gain on disposal of subsidiaries

	VIP 2021 \$'000	ACL 2021 \$'000	HAL 2021 \$'000	Total 2021 \$'000
Consideration received	-	2	13	15
Net liabilities disposed of	95	1,455	(13)	1,347
Gain on disposal of subsidiaries	(95)	1,457	-	1,362

The aggregate cash outflow arising from disposal of subsidiaries

	VIP 2021 \$'000	ACL 2021 \$'000	HAL 2021 \$'000	Total 2021 \$'000
Cash consideration received	2	13	-	15
Less: cash and cash equivalent balances disposed of	(15)	(13)	-	(28)
Cash flow arising from disposal of subsidiaries	(13)	-	-	(13)

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

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12 Investment in subsidiaries (cont'd)

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

Analysis of assets and liabilities over which control was lost

	TPC	FG	Total
	2020	2020	2020
	\$'000	\$'000	\$'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	<u>(1,551)</u>	<u>(13)</u>	<u>(1,564)</u>

Consideration received

	TPC	FG	Total
	2020	2020	2020
	\$'000	\$'000	\$'000
Cash consideration received	<u>1,159</u>	<u>-</u>	<u>1,159</u>

Gain on disposal of subsidiaries

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

The aggregate cash outflow arising from disposal of subsidiaries

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

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.

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AUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

13 Trade receivables

	Group	
	2021	2020
	\$'000	\$'000
Trade receivables	-	-
Less: Allowance for impairment of trade receivables	-	-
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 2019 under FRS 39	9,539
Effect of adopting SFRS(I) 9	-
At 1 April 2019	9,539
Disposal during the year	(9,539)
At 31 March 2020 and 1 April 2020	-
Charge for the year	-
At 31 March 2021	-

14 Other receivables, deposits and prepayments

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Other receivables:				
- Third parties ⁽¹⁾	971	2,054	971	42
- Niaga ⁽²⁾	-	635	-	-
- Loan to joint ventures ⁽³⁾	789	833	789	833
	1,760	3,522	1,760	875
Less: Allowance for impairment of other receivables	(1,712)	(3,355)	(1,712)	(848)
Less: Write off of other receivables	-	(135)	-	-
Other receivables, net	48	32	48	27
Refundable deposits	165	23	165	22
Prepayments	55	38	43	38
	268	93	256	87

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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 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 RMB4.5 million and the interest accrued on the convertible notes of RMB0.1 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

NOTES TO THE FINANCIAL STATEMENTS

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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	Group's records \$'000	Audit Confirmation \$'000	Discrepancy \$'000
Type of cash balance			
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.

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

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

Background information (cont'd)

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.

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.

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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 \$'000	2014 \$'000	2016/ 2015 \$'000	2014 \$'000	2016/ 2015 \$'000	2014 \$'000	2016/ 2015 \$'000	2014 \$'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.

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AUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

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

	Group	
	2021	2020
	\$'000	\$'000
Balance at beginning of the financial year	3,355	3,254
Charge for the financial year (Note 6):	-	40
Reversal of allowance for impairment of other receivables	-	(163)
Write off allowance for impairment of other receivables	(1,718)	-
Exchange differences	75	224
Balance at end of the financial year	1,712	3,355

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

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Singapore dollars	260	85	256	87
Hong Kong dollars	8	6	-	-
United States dollars	-	2	-	-
	268	93	256	87

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

	Company	
	2021	2020
	\$'000	\$'000
Amounts due from subsidiaries [Note (a)]	-	12,994
Amounts due to subsidiaries	(38)	(37,717)
Note (a):		
Amounts due from subsidiaries	445	19,694
Less: Allowance for impairment	(445)	(6,700)
	-	12,994

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AUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

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

	Company	
	2021	2020
	\$'000	\$'000
Balance at beginning of the financial year	6,700	15,878
Charged to profit or loss	145	339
Reversal of allowance for impairment	(6,400)	(9,515)
Exchange differences	-	(2)
Balance at end of the financial year	445	6,700

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

	Company	
	2021	2020
	\$'000	\$'000
<u>Amounts due from subsidiaries:</u>		
Singapore dollars	-	10,017
United States dollars	-	2,861
Hong Kong dollars	-	116
	-	12,994
<u>Amounts due to subsidiaries:</u>		
Singapore dollars	28	7,508
United States dollars	10	1,869
Hong Kong dollars	-	28,340
	38	37,717

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.

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AUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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16 Cash and bank balances

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Cash and bank balances	13,631	15,463	13,606	2,493

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

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Singapore dollars	10,318	11,714	10,306	1,627
United States dollars	3,243	3,559	3,230	680
Indonesian rupiah	-	-	-	-
Hong Kong dollars	70	190	70	186
	13,631	15,463	13,606	2,493

17 Trade payables

Trade payables are non-interest bearing and are generally settled within 0 to 30 days (2020: 0 to 30 days).

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

	Group	
	2021	2020
	\$'000	\$'000
United States dollars	-	11

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AUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS

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18 Other payables and accruals

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Other payables				
- Amount due to joint venture ⁽⁴⁾	2,371	-	-	-
- Director related company ⁽¹⁾	-	4	-	-
- Third parties	93	93	93	93
	2,464	97	93	93
Accruals ⁽²⁾	1,174	939	1,155	847
Amount due to former director ⁽³⁾	53	53	53	53
	3,691	1,089	1,301	993

⁽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 (2020: \$0.8 million) that relates to the provision of directors' fees.

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

⁽⁴⁾ Amount due to the joint venture is recognized in the books of CUH during the financial year ended 31 March 2021 based on the demand letter issued by HCH Group Company Limited ("HCH") for the advance of its proportionate shareholders loan of \$2.3 million (US\$1.76 million) in the 55% owned joint venture held by CUH.

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

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Singapore dollars	1,251	1,010	1,232	993
United States dollars	2,371	19	-	-
Hong Kong dollars	69	60	69	-
	3,691	1,089	1,301	993

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19 Share capital

	Group and Company			
	2021		2020	
	Number of ordinary shares		Number of ordinary shares	
	'000	\$'000	'000	\$'000
Issued and paid-up				
Balance at beginning of the financial year	6,448,936	145,623	6,448,936	145,623
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.

20 Treasury shares

	Group and Company			
	2021		2020	
	Number of ordinary shares		Number of ordinary shares	
	'000	\$'000	'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.

21 Capital reserve

	Group and Company	
	2021	2020
	\$'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.

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22 Settlement shares

	Group and Company	
	2021	2020
	\$'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.

23 Lease liability

Where the Group is the lessee

The Group and Company have lease contracts for their offices. The Group's and Company's obligations under these leases are secured by the lessor's title to the leased assets. The Group and Company are 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 \$'000
At 1 April 2019	-
Addition (adoption of SFRS(I) 16)	321
Depreciation	(83)
At 31 March 2020	238
Modification of lease liability	81
Depreciation	(82)
At 31 March 2021	237

- (b) Amounts recognised in profit or loss

	Group 2021 \$'000	Group 2020 \$'000
Depreciation of right-of-use assets	82	83
Interest expense on lease liabilities	3	4
Total amount recognised in profit or loss	85	87

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23 Lease liability (cont'd)

- (a) Option to renewal of tenancy agreement

The Group had an option to renewal of tenancy agreement for a term of two years at the prevailing market rate.

- (b) Total cash outflow

The Group had total cash outflows for leases of \$66,384 in the current financial year.

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 2021.

24 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 18 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.

25 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 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 (2020: 2) reportable operating segments by geographical area: People's Republic of China and Singapore (2020: People's Republic of China and Singapore).

APPENDIX H
AUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

25 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
2021	\$'000	\$'000	\$'000
Revenue			
External sales	-	-	-
Segment results			
Loss from operations	1	(1,856)	(1,855)
Other expenses	-	(24,025)	(24,025)
Other income	-	2,898	2,898
Share of loss of joint venture	(1,074)	-	(1,074)
Loss before tax			(24,056)
Income tax expense			(3)
Loss after tax			(24,059)
 Segment assets representing consolidated total assets	 -	 14,139	 14,139
 Segment liabilities	 2,371	 1,567	 3,938
Unallocated liabilities			
- Income tax payable	-	1	1
Consolidated total liabilities			3,939
 Non-current assets	 -	 240	 240
 Other segment items			
Depreciation of property, plant and equipment (Note 10)	-	85	85

APPENDIX H
AUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

**NOTES TO THE
FINANCIAL STATEMENTS**
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

25 Segment information (cont'd)

	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	377	1,340
Unallocated liabilities			
- Income tax payable	-	-	-
Consolidated total liabilities			1,340
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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

25 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:

	<i>Non-current assets</i>	
	2021	2020
	\$'000	\$'000
People's Republic of China	-	22,736
Singapore	240	240
Group	240	22,976

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

26 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	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<i>Financial assets</i>				
At amortised cost	13,844	15,518	13,819	15,536
	13,844	15,518	13,819	15,536
<i>Financial liabilities</i>				
At amortised cost	3,691	1,100	1,339	38,710

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

26 Financial instruments (cont'd)

(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.

(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") and Hong Kong dollars ("HKD"). The Group does not have a policy to hedge its exposure to foreign exchange risk.

Denominated in:	SGD \$'000	USD \$'000	HKD \$'000
Group 2021			
<u>Financial assets</u>			
Other receivables and deposits (exclude prepayments)	208	-	5
Cash and bank balances	10,318	3,243	70
	10,526	3,243	75
<u>Financial liabilities</u>			
Other payables and accruals	1,251	2,371	69
	1,251	2,371	69
Net financial assets	9,275	872	6
Less: Net financial assets denominated in the respective entities functional currencies	(9,275)	-	-
Foreign currency exposure	-	872	6

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

26 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	HKD \$'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/(liabilities)	10,751	3,531	136
Less: Net financial assets denominated in the respective entities functional currencies	(10,751)	-	-
Foreign currency exposure	-	3,531	136
Company			
2021			
Financial assets			
Other receivables and deposits (exclude prepayments)	208	-	5
Cash and bank balances	10,306	3,230	70
	10,514	3,230	75
Financial liabilities			
Amounts due to subsidiaries	28	10	-
Other payables and accruals	1,232	-	69
	1,260	10	69
Net financial assets	9,254	3,220	6
Less: Net financial assets denominated in the Company's functional currency	(9,254)	-	-
Foreign currency exposure	-	3,220	6

APPENDIX H
AUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

NOTES TO THE
FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

26 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	HKD \$'000
Company			
2020			
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 assets denominated in the Company's functional currency	(3,192)	-	-
Foreign currency exposure	-	1,672	(28,038)

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

26 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

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.

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

	USD impact			HKD impact	
	2021	2020		2021	2020
	\$'000	\$'000		\$'000	\$'000
<u>Group</u>					
Profit or loss (after tax)	36	147 (i)		-	6 (i)

Company

Profit or loss (after tax)	134	69 (ii)		-	(1,164) (ii)
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If the relevant foreign currency strengthens by 5% against the functional currency of each group entity, profit or loss after tax will increase/(decrease) by:

	USD impact			HKD impact	
	2021	2020		2021	2020
	\$'000	\$'000		\$'000	\$'000
<u>Group</u>					
Profit or loss (after tax)	(36)	(147) (i)		-	(6) (i)

Company

Profit or loss (after tax)	(134)	(69) (ii)		-	1,164 (ii)
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(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

26 Financial instruments (cont'd)

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

(i) Market risk (cont'd)

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 2021, 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.

(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.

	2021		2020	
	1 year or less \$'000	1 to 5 years \$'000	1 year or less \$'000	1 to 5 years \$'000
<u>Group</u>				
Trade and other payables	3,691	-	1,100	-
Lease liability	95	157	86	154
<u>Company</u>				
Amounts due to subsidiaries	38	-	37,717	-
Trade and other payables	1,301	-	993	-
Lease liability	95	157	86	154

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

26 Financial instruments (cont'd)

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

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

26 Financial instruments (cont'd)

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

(iii) Credit risk (cont'd)

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.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

26 Financial instruments (cont'd)

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

(iii) Credit risk (cont'd)

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 \$'000	Loss allowance \$'000	Net carrying amount \$'000
31 March 2021						
Trade receivables	13	Note 1	Lifetime ECL (simplified)	9,539	(9,539)	-
Other receivables	14	I	12-month ECL	1,760	(1,712)	48
Refundable deposits	14	I	12-month ECL	165	-	165
					<u>(11,251)</u>	
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	23	-	23
					<u>(10,387)</u>	

The Company

	Note	Category	12-month or lifetime ECL	Gross carrying amount \$'000	Loss allowance \$'000	Net carrying amount \$'000
31 March 2021						
Other receivables	14	I	12-month ECL	1,744	(1,712)	32
Refundable deposits	14	I	12-month ECL	165	-	165
Amounts due from subsidiaries	15	I	12-month ECL	461	(445)	16
					<u>(2,157)</u>	
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
					<u>(7,548)</u>	

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.

**NOTES TO THE
FINANCIAL STATEMENTS**
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

27 Fair values of financial instruments

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.

28 Subsequent events

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

The outbreak of 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.

The Company had, on 23 December 2019, made an application to SGX-ST for an appeal on the Notification.

On 18 August 2020, the Company had been notified definitively by the SGX-ST that the SGX-ST will not consider any proposal or application from the Company which requests for any time extension to exit the Watch-List.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

28 Subsequent events (cont'd)

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

In addition, as previously announced in the Notification, in accordance with Rules 1306 and 1309 of the SGX-ST Listing Manual, SGX-ST requires a reasonable exit offer to be made to the Company's shareholders. The Board of Directors of the Company has appointed legal and financial advisers to advise on the options available to the Company in relation to a reasonable exit offer.

On 25 May 2021, the Company has announced that it is presently considering the viability of undertaking an exit offer by way of a court-approved selective capital reduction and intends to seek shareholders approval in accordance with the provisions of the Companies Act (Cap. 50).

In connection with the above, Provenance Capital Pte. Ltd. has on 18 May 2021 been appointed by the Company as the independent financial adviser to advise the Directors who are considered independent for the purposes of any potential exit offer, pursuant to Rule 1309(2) of the Listing Manual.

c) Demand letter received from HCH

On 26 January 2021, CUH has received a demand letter ("Demand") from HCH for the advance of its proportionate shareholders' loan of US\$1.76 million ("Shareholders' Loan") by 30 January 2021. HCH is the joint venture partner that owns 45% of HUH Broadband Communication Company Limited ("HUH"), a 55%-owned joint venture of CUH. This Demand was issued by HCH pursuant to the terms of the shareholders' agreement dated 5 March 2010 between, *inter alia*, CUH and HCH. The advance of Shareholders' Loan by CUH will have a material impact on the net tangible assets and earnings per share of the Group for the financial year ended 31 March 2021. The Company will update shareholders on any material developments in respect of the Demand at the appropriate time.

29 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 2021 and 2020.

30 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 2021 were authorised for issue in accordance with a resolution of the Directors dated 11 August 2021.

APPENDIX I

FY2016 NOTICE OF AGM AND FY2017 NOTICE OF AGM

NEXT-GENERATION SATELLITE COMMUNICATIONS LIMITED

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



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("AGM") of Next-Generation Satellite Communications Limited (the "Company") will be held at Function Hall Level 5, The URA Centre, 45 Maxwell Road, Singapore 069118 on Friday, 12 May 2017 at 3 p.m., to transact the following businesses:-

(A) ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and financial statements for the financial year ended 31 March 2016 together with the Auditors' Report thereon. **(Resolution 1)**
2. To re-elect the following Directors retiring under the Company's Constitution:
(i) Mdm Sri Tjintawati Hartanto (Regulation 91) **(Resolution 2)**
(ii) Dr Michael Kuan-Chi Sun (Regulation 91) **(Resolution 3)**
(iii) Mr Ku Vicente S. (Regulation 91) **(Resolution 4)**
3. To approve payment of the sum of S\$150,200 in cash as part payment of Directors' Fees for the financial year ended 31 March 2016. [See Explanatory Note (i)] **(Resolution 5)**
4. To re-appoint Messrs RT LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

(B) SPECIAL BUSINESS

5. To consider and, if thought fit, to pass the following resolution as Ordinary Resolution, with or without amendments: **(Resolution 7)**

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) (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) 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) 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 or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and
 - (bb) any subsequent 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 (ii)]

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

Explanatory Notes:

- (i) This resolution is to approve the cash payment of S\$150,200 as part of the Directors' Fees for the financial year ended 31 March 2016. The remaining proposed Directors' Fees for the financial year ended 31 March 2016 comprise S\$158,141 to be paid in the form of shares of the Company which is subject to the approval of Shareholders of the Company for issue of the shares of the Company to be obtained in a separate general meeting to be convened by the Company.
- (ii) The Ordinary Resolution 7 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.

BY ORDER OF THE BOARD

Andrew Coulton

Non-Executive Non-Independent Chairman

Date: 27 April 2017

Notes:

- (i) A member of the Company entitled to attend and vote at the AGM may appoint not more than two (2) proxies to attend and vote instead of him.
- (ii) Where a member appoints two (2) proxies, he shall specify the proportion of his shareholding to be represented by each proxy in the instrument appointing the proxies. A proxy need not be a member of the Company.
- (iii) Intermediaries such as banks and capital markets services licence holders which provide custodial services and are members of the Company may appoint more than two proxies provided that each proxy is appointed to exercise the rights attached to different shares held by the member. Where such member appoints more than two (2) proxies, the number and class of shares to be represented by each proxy must be stated.
- (iv) 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.
- (v) The instrument appointing a proxy must be deposited at the Registered Office of the Company at 30 Raffles Place, #19-04 Chevron House, Singapore 048622, not less than 48 hours before the time appointed for holding the AGM.
- (vi) 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 above Meeting in order for the Depositor to be entitled to attend and vote at the above Annual General Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's and its proxy(ies) or representative(s)'s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"). (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), 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 (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, (iii) undertakes that the member will only use 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. Your and your proxy and/or representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the Purposes, and retained for such period as may be necessary for the Company's verification and record purposes.

APPENDIX I

FY2016 NOTICE OF AGM AND FY2017 NOTICE OF AGM

NEXT-GENERATION SATELLITE COMMUNICATIONS LIMITED

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



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("AGM") of Next-Generation Satellite Communications Limited (the "Company") will be held at SAFRA Toa Payoh, Lor 6 Toa Payoh, Singapore 319387 on Monday, 4 December 2017 at 2 p.m., to transact the following businesses:-

(A) ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and financial statements for the financial year ended 31 March 2017 together with the Auditors' Report thereon. (Resolution 1)
2. To re-elect the following Directors retiring under the Company's Constitution:
 - (i) Mr Ng Hsian Pin (Regulation 91) [See Explanatory Note (i)] (Resolution 2)
 - (ii) Mr Li Man Wai (Regulation 91) [See Explanatory Note (ii)] (Resolution 3)
 - (iii) Mr Edward Fu Shu Sheen (Regulation 91) (Resolution 4)
[See Explanatory Note (iii)]
 - (iv) Ms Cheung Kam Wa (Regulation 97) [See Explanatory Note (iv)] (Resolution 5)
3. To approve payment of the sum of S\$158,000 in cash as part payment of Directors' Fees for the financial year ended 31 March 2017. (2016: S\$150,200) (Resolution 6)
4. To approve additional Directors' Fees of S\$223,166.66 for the financial year ended 31 March 2017 to be settled by the issuance of equivalent number of ordinary shares in the capital of the Company at such issue price with reference to the market price of shares traded on the SGX-ST at time of issue, or to be paid in cash if the Company is unable to issue shares as share awards pursuant to a valid performance share plan or has not obtained specific shareholders' approval for the issue of such shares to the Directors under Rule 804 of the Listing Manual by 31 March 2018. [See Explanatory Note (v)] (Resolution 7)
5. 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

6. 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 or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and
 - (bb) any subsequent 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)]
7. To transact any other business that may be properly transacted at an Annual General Meeting.

Explanatory Notes:

- (i) Detailed information on Mr Ng Hsian Pin can be found in the Company's annual report 2017. Mr Ng Hsian Pin will, upon re-election as a Director of the Company, remain as an Independent Director and Chairman of the Audit Committee and a member of the Remuneration Committee of the Company. Mr Ng Hsian Pin is considered by the Board to be independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST. Mr Ng Hsian Pin does not have any relationships including immediate family relationships between himself and the Directors, the Company, its related corporations, its 10% shareholders or its officers.
- (ii) Detailed information on Mr Li Man Wai can be found in the Company's annual report 2017. Mr Li Man Wai will, upon re-election as a Director of the Company, remain as an Independent Director and Chairman of the Nominating Committee and a member of the Audit Committee of the Company. Mr Li Man Wai is considered by the Board to be independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST. Mr Li Man Wai does not have any relationships including immediate family relationships between himself and the Directors, the Company, its related corporations, its 10% shareholders or its officers.
- (iii) Detailed information on Mr Edward Fu Shu Sheen can be found in the Company's annual report 2017. Mr Edward Fu Shu Sheen will, upon re-election as a Director of the Company, remain as the Lead Independent Director and Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee of the Company. Mr Edward Fu Shu Sheen holds 0.07% of the issued and paid-up share capital (excluding treasury shares) of the Company. Mr Edward Fu Shu Sheen is considered by the Board to be independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST. Mr Edward Fu Shu Sheen does not have any relationships including immediate family relationships between himself and the Directors, the Company, its related corporations, its 10% shareholders or its officers.
- (iv) Detailed information on Ms Cheung Kam Wa can be found in the Company's annual report 2017. Ms Cheung Kam Wa will, upon re-election as a Director of the Company, remain as the Independent Director and member of the Nominating Committee and Remuneration Committee of the Company. Ms Cheung Kam Wa does not have any relationships including immediate family relationships between herself and the Directors, the Company, its related corporations, its 10% shareholders or its officers.
- (v) The equivalent number of shares to be issued by the Company will consist of the grant of fully paid shares outright with no performance and vesting conditions attached pursuant to a valid performance share plan or specific shareholders' approval to be obtained in a separate extraordinary general meeting for the issue of such shares to the Directors under Rule 804 of the Listing Manual.
- (vi) The Ordinary Resolution 9 proposed in item 6 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.

BY ORDER OF THE BOARD

Andrew Coulton

Non-Executive Non-Independent Chairman

Date: 11 November 2017

Notes:

- (i) A member of the Company entitled to attend and vote at the AGM may appoint not more than two (2) proxies to attend and vote instead of him.
- (ii) Where a member appoints two (2) proxies, he shall specify the proportion of his shareholding to be represented by each proxy in the instrument appointing the proxies. A proxy need not be a member of the Company.
- (iii) Intermediaries such as banks and capital markets services licence holders which provide custodial services and are members of the Company may appoint more than two proxies provided that each proxy is appointed to exercise the rights attached to different shares held by the member. Where such member appoints more than two (2) proxies, the number and class of shares to be represented by each proxy must be stated.
- (iv) 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.
- (v) The instrument appointing a proxy must be deposited at the Registered Office of the Company at 30 Raffles Place, #19-04 Chevron House, Singapore 048622, not less than 48 hours before the time appointed for holding the AGM.
- (vi) A Depositor's name must appear on the Depositor Register maintained by The Central Depositor (Pte) Limited as at 72 hours before the time fixed for holding the above Meeting in order for the Depositor to be entitled to attend and vote at the above Annual General Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's and its proxy(ies)'s or representative(s)'s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), 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 (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; (iii) undertakes that the member will only use 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, Your and your proxy and/or representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the Purposes, and retained for such period as may be necessary for the Company's verification and record purposes.

NOTICE OF EXTRAORDINARY GENERAL MEETING

NGSC LIMITED

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of **NGSC LIMITED** (the “**Company**”) will be convened and held by way of electronic means on **25 November 2021** at **10.00 a.m.** for the purpose of considering and, if thought fit, passing with or without amendment, the following resolutions:

Unless otherwise defined, all capitalised terms used herein shall bear the same meaning ascribed thereto in the Company’s Circular to Shareholders dated 3 November 2021 in respect of the resolutions herein.

Special Resolution

RESOLVED THAT:

- (i) pursuant to Regulation 10 of the constitution of the Company, and subject to the confirmation of the High Court of the Republic of Singapore, the issued share capital of the Company be reduced by S\$7,360,390.18, and that such reduction be effected by:
 - (a) cancelling the amount of S\$7,360,390.18 constituting part of the total paid-up share capital of the Company held by all the shareholders of the Company (except those held by Telemedia Pacific Group Limited and Mr. Hady Hartanto) (the “**Participating Shareholders**”), such Participating Shareholders holding in aggregate 4,748,638,828 ordinary shares in the capital of the Company (“**Shares**”); and
 - (b) cancelling 4,748,638,828 Shares held by the Participating Shareholders,and (x) the aggregate sum of S\$7,360,390.18 arising from such reduction of the Company’s share capital to be returned to the Participating Shareholders in cash, on the basis of S\$0.00155 for each Share held by each Participating Shareholder so cancelled; and (y) in view of the Company’s contractual entitlement to the economic and monetary rights and benefits of, and voting rights to, the Settlement Shares, the aggregate sum of S\$596,440.34 be retained for the benefit of the Company to defray and pay for its ongoing expenses; and
- (ii) the directors of the Company and each of them be and are hereby authorised to do all such acts and things and to execute all such documents as they or he may consider necessary, expedient or desirable to give effect to the proposed selective capital reduction as set out in the preceding paragraph (i) and this resolution.

Ordinary Resolution

RESOLVED THAT:

- (i) the Company be and is hereby authorised to pay the FY2016 Directors’ Fees to the relevant persons in cash; and
- (ii) the directors of the Company and each of them be and are hereby authorised to do all such acts and things and to execute all such documents as they or he may consider necessary, expedient or desirable to give effect to the payment of the FY2016 Directors’ Fees in cash and this resolution.

BY ORDER OF THE BOARD

Michael Kuan-Chi Sun
Executive Director
Date: 3 November 2021

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. This forthcoming EGM is being 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 also published on the SGX website (<https://www.sgx.com/securities/meeting-schedules>).
2. In view of the COVID-19 restrictions imposed by the Government of Singapore, **members will not be able to attend the forthcoming EGM in person**. A member (whether individual or corporate) who wishes to exercise his/her/its voting rights at the forthcoming EGM must appoint the Chairman of the EGM as his/her/its proxy to vote on his/her/its behalf at the EGM. A member should specifically indicate how the member wishes to vote for or vote against (or abstain from voting on) the resolutions.
3. A member who wishes to watch and observe the proceedings of the EGM 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/Scrip-based records), identification number (e.g. NRIC/Passport Number/FIN), shareholding type(s) (e.g. CDP/CPF/SRS/Scrip-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 22 November, 2021 (i.e. not less than 72 hours before the time appointed for holding the above EGM), to jamie.koit@ngscinvestment.com. Upon successful authentication, each such member will receive an email reply by jamie.koit@ngscinvestment.com on 24 November 2021. The email reply will contain instructions to access the live webcast of the EGM proceedings. Only authenticated members are permitted to access and attend the EGM proceedings. Members who have pre-registered by the deadline of 10.00 a.m. on 22 November 2021 but have not received an email reply by 10.00 a.m. on 24 November 2021 are to contact the Company for assistance by phone (at (65) 6479 3866) or by email (at jamie.koit@ngscinvestment.com) as soon as practicable.
On the day of the EGM, before an authenticated and pre-registered member may access the live webcast and attend the EGM (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 EGM proceedings) early to avoid possible bottlenecks and potential delays. We seek your kind understanding and cooperation. Members may log on from 10.00 a.m. on 25 November 2021.
4. Members will not be allowed to ask questions during the live webcast of the EGM. Members who may have questions relating to each resolution to be tabled for approval at the EGM are to submit their questions by email, together with their full name (as per CDP/CPF/SRS/Scrip-based records), identification number (e.g. NRIC/Passport Number/FIN), shareholding type(s) (e.g. CDP/CPF/SRS/Scrip-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 22 November 2021 (that is not less than 72 hours before the time fixed for holding the forthcoming EGM) to jamie.koit@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.
5. 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 EGM 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 EGM, by 10.00 a.m. on 16 November 2021 (i.e. at least seven (7) working days before the EGM). As a recap, only the chairman of the forthcoming EGM may be appointed as proxy.
6. 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.
7. The instrument appointing a proxy must either be deposited at the office of the Company's Share Registrar, B.A.C.S. Private Limited, at 8 Robinson Road, #03-00 ASO Building, Singapore 048544, or submitted to the Company by email to the Company's Share Registrar at main@zicoholdings.com, by 10.00 a.m. on 23 November 2021 (that is, not less than 48 hours before the time appointed for holding the above EGM). Members are strongly encouraged to submit the completed and signed PDF copies of their proxy forms to the Company via email.
8. 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 EGM in order for the Depositor to be entitled to access the live webcast and attend and vote via proxy at the forthcoming EGM.
9. The Company will publish the minutes of the EGM via the SGXNet platform and the Company's website within one month after the date of EGM.
10. 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. 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 EGM will be announced by the Company on the SGXNet platform.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Summary of key dates and times (Deadlines/ Opening Time)	Actions
By 10.00 a.m on 16 November 2021	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 EGM 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 EGM.
By 10.00 a.m on 22 November 2021	For Members: (a) who have questions relating to the business of the EGM to email their questions to jamie.koit@ngscinvestment.com . (b) submit the necessary information required for authentication by email to jamie.koit@ngscinvestment.com should they wish to access the live webcast and attend the EGM.
By 10.00 a.m on 23 November 2021	For Members to deposit/email the completed and signed proxy forms, if submitted by post to the Company's Share Registrar at 8 Robinson Road, #03-00 ASO Building, Singapore 048544, or if submitted electronically, by email to the Company's Share Registrar at main@zicoholdings.com . 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 the Company's Share Registrar at main@zicoholdings.com .
By 10.00 a.m on 24 November 2021	For members who have been successfully authenticated to receive an email reply with instructions to access the live webcast of the EGM ("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) 6479 3866) or by email (at jamie.koit@ngscinvestment.com) as soon as practicable.
By 9.30 a.m on 25 November 2021	When pre-registered members may log on for the Share Registrar to verify their identity and access to the live webcast to the EGM (that is scheduled to commence at 10.00 a.m on 25 November 2021), using the instructions received in the Confirmation Email.

Personal data privacy:

By attending, speaking, proposing, seconding and/or voting at the EGM 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 EGM and/or any adjournment thereof, the person/member (i) understands and accepts that photographs, images, audio and/or video recordings and transcripts of the EGM 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 EGM (including any adjournment thereof) and the preparation, compilation, recording, keeping of the attendance lists, transcripts, minutes and other documents relating to the EGM (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

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

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:

1. The Extraordinary General Meeting ("EGM") 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 EGM and this proxy form are also published on and can be downloaded from the SGX website (<https://www.sgx.com/securities/meeting-schedules>).
3. Alternative arrangements relating to attendance at the EGM via electronic means (including arrangements by which the EGM can be electronically accessed via live webcast (comprising both video (audio-visual) and audio-only feeds)), submission of questions to the Chairman of the EGM in advance of the EGM and voting by appointing the Chairman of the EGM as proxy at the EGM, are set out in the Notice of the EGM.
4. In view of the COVID-19 restrictions imposed by the Government of Singapore, members will not be able to attend the EGM in person. A member (whether individual or corporate) who wishes to exercise his/her/its voting rights at the forthcoming EGM must appoint the Chairman of the EGM as his/her/its proxy to vote on his/her/its behalf at the EGM. 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 EGM as proxy, should approach their respective Agent Banks/SRS Operators or relevant intermediaries to submit their votes by 10.00 a.m on 16 November 2021.
6. By submitting an instrument appointing the Chairman of the EGM as proxy, a member is deemed to have accepted and agreed to the personal data privacy terms set out in the Notice of the EGM dated 3 November 2021.
7. Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the EGM as a member's proxy to vote on his/her/its behalf at the EGM.

*I/We, _____ (Name) NRIC/Passport/Co. Reg. No. _____
of _____ (Address)
being a shareholder/shareholders* of NGSC LIMITED (the "**Company**") hereby appoint the Chairman of the Extraordinary General Meeting ("**EGM**") of the Company as my/our* proxy to vote for me/us* on my/our* behalf at the EGM of the Company to be held by electronic means on Thursday, 25 November 2021, at 10.00 a.m. and at any adjournment thereof.

I/We* direct the Chairman of the EGM to vote for or against or abstain from voting on the resolutions to be proposed at the EGM as indicated hereunder. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the EGM as your proxy for that resolution(s) will be treated as invalid.**

All resolutions put to the vote at the EGM shall be decided by way of poll.

Resolution relating to:	Number of Votes For**	Number of Votes Against**	Number of Votes Abstain**
To approve the proposed selective capital reduction pursuant to the Companies Act, Chapter 50 of Singapore (Special Resolution)			
To approve the payment of directors' fees for FY2016 in cash (Ordinary Resolution)			

* Delete accordingly

** If you wish to exercise all your votes "For" or "Against" or "Abstain", please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate

Dated this _____ day of _____ 2021

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature 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 restrictions imposed by the Government of Singapore, members will not be able to attend the EGM in person. A member (whether individual or corporate) who wishes to exercise his/her/its voting rights at the forthcoming EGM must appoint the Chairman of the EGM as his/her/its proxy to vote on his/her/its behalf at the EGM. This proxy form is made available on the SGX website ((<https://www.sgx.com/securities/meeting-schedules>)). Where a member (whether individual or corporate) appoints the Chairman of the EGM 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 EGM 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 EGM as proxy should approach their respective Agent Banks/SRS Operators or relevant intermediaries to submit their votes by 10.00 a.m. on 16 November 2021.
4. The Chairman of the EGM, 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 EGM 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, 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 the Share Registrar, B.A.C.S Private Limited at main@zicoholdings.com; andin either case, by 10.00 a.m. on 23 November 2021 (that is, not less than 48 hours before the time appointed for the EGM). **Members are strongly encouraged to submit their completed and signed PDF copies of their proxy forms to the Company's Share Registrar via email (at main@zicoholdings.com).**
6. The instrument appointing the Chairman of the EGM 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 EGM 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 EGM 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 EGM 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 EGM, as certified by The Central Depository (Pte) Limited to the Company.
9. Any alteration made in this instrument appointing the Chairman of the EGM 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 accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 3 November 2021.