

**NGSC LIMITED**

**ANNUAL REPORT 2021**





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# LETTER TO SHAREHOLDERS

## Dear Shareholders,

On behalf of the Board of Directors (the "Board") and Management of NGSC Limited ("NGSC" or the "Group"), I am pleased to present to you the annual report of the Group for the financial year ended 31 March 2021 ("FY2021").

## Financial Review

During the financial year in review, the Group recorded other income of S\$2.9 million. This consist of; interest received of S\$0.03 million from Fixed Deposits placed with licensed Banks which derives an interest of 1.50% to 1.87% per annum, gain on disposal of Subsidiaries amounting to S\$1.4 million and receipt of Government grants of S\$0.06 million.

The Group for FY2021 also recognised a foreign exchange gain of S\$1.4 million as compared to a foreign exchange loss of S\$1.9 million for FY2020. This was mainly due to the Group's exposure on its foreign currency assets against the Singapore dollar.

Other expenses of S\$24.07 million were also higher in FY2021, as compared to S\$1.9 million in FY2020, due to the additional impairment loss on the Group's investment in joint venture. As a result, the Group's investment in joint venture has been fully impaired.

Administrative expenses of S\$1.9 million in FY2021 are consistent compared to S\$1.8 million in FY2020. Taking the above into account, the Group recorded a net loss of S\$26.9 million for FY2021 as compared to a net profit of S\$20.0 million in FY2020.

## Outlook

After careful deliberation, the Board of Directors has decided in July 2021 that the Group is proposing to undertake a Selective Capital Reduction exercise to cancel all the issued ordinary shares in the capital of the Company held by the Eligible Shareholders and return the share capital in cash to the Eligible Shareholders (the "Selective Capital Reduction").

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.

## Changes to the board

On 26 April 2021, we were pleased to announce the appointment of Mr Lee Chia Sin as Independent Director, chairman of the Nominating Committee and Remuneration Committee, as well as member of the Audit Committee. Mr Lee has extensive experience in the finance sector. On 8 May 2021, we were also pleased to announce the appointment of Mr Mahtani Bhagwandas as Independent Director, Chairman of the Audit Committee and member of the Remuneration Committee and Nominating Committee.

# LETTER TO SHAREHOLDERS

## Acknowledgements

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

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

Thank you.

**Dr Michael Kuan-Chi Sun**

*Executive Director*



# BOARD OF DIRECTORS

## **Dr Michael Kuan-Chi Sun**

*Executive Director*

Dr Michael Kuan-Chi Sun was appointed to the Board in March 2014 and re-elected as Director on 29 July 2019. Dr Sun worked with the Hughes Network Systems, LLC (and together with its subsidiaries, "Hughes Group") for more than 20 years, before taking up his current position as CEO of HughesNet China, a joint venture between NGSC and Hughes Group. Dr Sun is credited with the establishment of Hughes' operations in China and its development into a dominant supplier of very small aperture terminal ("VSAT") systems, with customers in almost every major government organisation in China. Prior to working for Hughes, Dr Sun was employed by General Electric Information Systems ("GE"), where he was responsible for marketing and development of GE's centralised time-sharing information network service.

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

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

## **Sri Tjintawati Hartanto**

*Non-Executive Non-Independent Director*

Madam Sri Tjintawati Hartanto was appointed to the Board in January 2009 and re-elected as Director on 29 July 2019. She is a non-executive director who supports the Company in its affairs. She possesses more than 20 years of experience in accounting, finance and administration.

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

## **Wang Xiaozheng**

*Non-Executive Non-Independent Director*

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

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

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

## **Mahtani Bhagwandas**

*Independent Director*

Mr Bhagwandas was appointed as an Independent Director on 8 May 2021. He graduated from the National University of Singapore with a Bachelor of Laws (Hons) degree in 1992 and was formerly practicing as an advocate and solicitor of the Supreme Court of Singapore since 1993 till 13 June 2020. Mr Bhagwandas is also currently an Independent Director of GRP Limited.

# BOARD OF DIRECTORS

## **Lee Chia Sin**

*Independent Director*

Mr Lee Chia Sin was appointed as an Independent Director on 26 April 2021. Mr Lee has over 15 years of experience in public accounting firms and is currently a Managing Partner in a local audit firm and a director of several consulting companies. He is also currently an Independent Director of 2 other listed Companies in Singapore.

Mr Lee was appointed to the Board in April 2021. Mr Lee holds a Bachelor in Accounting & Commercial law from the University of Wellington, New Zealand and had completed the Graduate Diploma in Professional Accounting in the same university. He is currently a member of the Institute of Singapore Chartered Accountants (ISCA), Association of Chartered Certified Accountants (ACCA), Malaysia Institute of Accountants (MIA) and Kampuchea Institute of Certified Public Accountants & Auditors.



# KEY MANAGEMENT

## **Koit Ven Jee**

*Financial Controller and Company Secretary*

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

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

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

# CORPORATE INFORMATION

## Board of Directors

Dr Michael Kuan-Chi Sun  
(Executive Director)

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

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

Mr Lee Chia Sin  
(Independent Director)

Mr Mahtani Bhagwandas  
(Independent Director)

## Registered Office

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

## Nominating Committee

Mr Lee Chia Sin (Chairman)  
Mr Mahtani Bhagwandas  
Mdm Sri Tjintawati Hartanto

## Remuneration Committee

Mr Lee Chia Sin (Chairman)  
Mr Mahtani Bhagwandas  
Ms Wang Xiao Zheng

## Audit Committee

Mr Mahtani Bhagwandas (Chairman)  
Mr Lee Chia Sin  
Mdm Sri Tjintawati Hartanto

## Company Secretary

Mr Koit Ven Jee

## Share Registrars and Warrant Agent

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

## Auditors

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





# REPORT OF CORPORATE GOVERNANCE

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

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

## BOARD MATTERS

### THE BOARD'S CONDUCT OF AFFAIRS

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

#### Provision 1.1

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

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

The principal functions of the Board are to:-

- (a) approve the Group's key business strategies and financial objectives, including the review of annual budgets, major investments / divestments, and funding proposals;
- (b) oversee the processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance;
- (c) review and monitor the Management performance;
- (d) set the Company's values and standards, and ensure that obligations to shareholders and other stakeholders are understood and met; and
- (e) approval of interested person transactions

# REPORT OF CORPORATE GOVERNANCE

## **Provision 1.2**

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

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

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

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

## **Provision 1.3**

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

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

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

## **Provision 1.4**

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

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

# REPORT OF CORPORATE GOVERNANCE

## **Provision 1.5**

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

The Board conducts regular scheduled meetings on a quarterly basis and where the circumstances require, ad-hoc meetings are arranged. Attendance of the Directors via telephone conference is allowed under Regulation 120(2) of the Company's Constitution. The Board may also make decisions by resolutions in writing. The number of Board and Board committees' meetings held and attended by each Director during financial year ended 31 March 2021 ("FY2021") are as follows:-

Name of Director	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	No. of Meetings		No. of Meetings		No. of Meetings		No. of Meetings	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Dr Michael Kuan-Chi Sun	4	3	-	-	-	-	-	-
Mdm Sri Tjintawati Hartanto	4	4	3	3	1	1	-	-
Ms Wang Xiao Zheng <sup>(1)</sup>	4	2	-	-	-	-	1	1
Mr Lee Chia Sin <sup>(2)</sup>	-	-	-	-	-	-	-	-
Mr Mahtani Bhagwandas <sup>(3)</sup>	-	-	-	-	-	-	-	-
Mr Chew Chin Wee <sup>(4)</sup>	4	4	4	4	1	1	-	-
Ms Ng Yoke Ping, Pauline <sup>(5)</sup>	3	3	-	-	-	-	-	-
Mr Ong Tiang Lock <sup>(6)</sup>	2	2	2	2	1	1	1	1
Mr Miao Ming Feng <sup>(7)</sup>	1	0	1	0	-	-	1	0
Mr Lye Meng Yiau <sup>(8)</sup>	1	1	-	-	-	-	-	-

(1) Appointed as Director on 23 May 2020

(2) Appointed as Director on 26 April 2021

(3) Appointed as Director on 8 May 2021

(4) Resigned as Director on 20 April 2021

(5) Appointed as Director on 6 July 2020 and Resigned as Director on 16 June 2021

(6) Appointed as Director on 29 May 2020 and Resigned as Director on 17 November 2020

(7) Appointed as Director on 23 May 2020 and Ceased to be a Director on 30 June 2020

(8) Resigned as Director on 19 June 2020

## **Provision 1.6**

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

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

# REPORT OF CORPORATE GOVERNANCE

## **Provision 1.7**

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

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

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

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

## **BOARD COMPOSITION AND GUIDANCE**

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

## **Provision 2.1**

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

- (i) As at the date of this report, the Board comprises two Independent Directors, two non-independent non-executive Directors and one Executive Director as follows:-

*Executive Director*

Dr Michael Kuan-Chi Sun (Executive Director)

*Non-Executive Non-Independent Directors*

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

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

*Independent Directors*

Mr Lee Chia Sin (Independent Director)

Mr Mahtani Bhagwandas (Independent Director)

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

- (ii) The independence of each Director is reviewed annually by the NC, which adopts the Code's definition of what constitutes an independent director. The NC is of the view that the Independent Directors, namely Mr Lee Chia Sin and Mr Mahtani Bhagwandas are independent.

# REPORT OF CORPORATE GOVERNANCE

## **Provision 2.2**

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

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

## **Provision 2.3**

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

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

## **Provision 2.4**

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

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

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

## **Provision 2.5**

**Non-executive directors and/or independent directors, led by the independent chairman or other independent director as appropriate, meet regularly without the presence of Management. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.**

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

# REPORT OF CORPORATE GOVERNANCE

## CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

### Provision 3.1

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

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

As at the date of this report, the Company is yet to appoint the Chairman of the Board and the Chief Executive Officer. Dr Michael Kuan-Chi Sun is the Executive Director of the Company.

### Provision 3.2

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

The Executive Director, Dr Michael Kuan-Chi Sun, with the team of key executive officers, is responsible for the day to day management of the Group’s operations.

As at the date of this report, the Company is yet to appoint the Chairman of the Board and the Chief Executive Officer. The Executive Director Dr Michael Kuan-Chi Sun, along with other board members, is scheduling the meetings (with the assistance of the Company Secretary) to enable the Board to perform its duties responsibly while not interfering with the flow of the Group’s operations.

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

### Provision 3.3

**The Board has a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent.**

**The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.**

As at the date of this report, the Company is yet to appoint the Chairman of the Board.

The Board concurs with the NC that as the size of the Board is relatively small with only 5 members of whom two are Independent Directors, there would not be a need for a Lead Independent Director. The Independent Directors collectively are and have been available to shareholders as a channel of communication between shareholders and the Board or Management. The Independent Directors meet or communicate periodically without the presence of the other Directors. During FY2021, the Independent Directors have met at least once in the absence of the Management.

# REPORT OF CORPORATE GOVERNANCE

## BOARD MEMBERSHIP

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

### **Provision 4.1**

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

- (a) the review of succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;**
- (b) the process and criteria for evaluation of the performance of the Board, its board committees and directors;**
- (c) the review of training and professional development programmes for the Board and its directors; and**
- (d) the appointment and re-appointment of directors (including alternate directors, if any).**

The NC has been established with written terms of reference and as at the date of this report comprises three Directors, of whom 2 are independent.

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

- To review nominations for the appointment and re-appointment to the Board and the various Board committees;
- To decide on the evaluation criteria of the Board, propose an objective performance criteria to assess effectiveness of the Board as a whole and the contribution of each Director;
- To decide whether a Director is able to and has been adequately carrying out his duties as Director of the Company (in a case where the Director has multiple board representations);
- To ensure that Directors submit themselves for re-nomination and re-election at regular intervals and at least once in every three years; and
- To determine, on an annual basis, whether a Director is independent.

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

### **Provision 4.2**

**The NC comprises at least three directors, all of whom, including the NC Chairman, are independent. The lead independent director, if any, is a member of the NC.**

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

Mr Lee Chia Sin	(Chairman, Independent Director)
Mr Mahtani Bhagwandas	(Member, Independent Director)
Mdm Sri Tjintawati Hartanto	(Member, Non-Executive Non-Independent Director)

# REPORT OF CORPORATE GOVERNANCE

## **Provision 4.3**

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

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

Pursuant to Regulation 97 of the Company's Constitution, any new Director so appointed by the Directors shall hold office until the next annual general meeting of the Company and shall be eligible for re-election. The NC has recommended to the Board that Mr Lee Chia Sin and Mr Mahtani Bhagwandas be nominated for re-election at the forthcoming AGM pursuant to Regulation 97 of the Company's Constitution. Mr Lee Chia Sin will, upon re-election as a Director, continue to serve as Independent Director, Chairman of the Nominating Committee and Remuneration Committee and member of the Audit Committee of the Company. Mr Lee Chia Sin is considered by the Board to be independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST. Mr Mahtani Bhagwandas will, upon re-election as a Director, continue to serve as Independent Director, Chairman of the Audit Committee and Member of the Nominating and Remuneration Committees of the Company. Mr Mahtani Bhagwandas is considered by the Board to be independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

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

## **Provision 4.4**

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

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



# REPORT OF CORPORATE GOVERNANCE

## Provision 4.5

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

All Directors are required to attend courses organized by the Singapore Institute of Directors on their duties and obligations as a Director within 1 year from their appointment. During FY2021, the Company arranged for Mr Chew Chin Wee and Ms Ng Yoke Ping, Pauline to attend courses conducted by and/or in conjunction with the Singapore Institute of Directors. In addition, the responsibilities of a Director are clearly delineated in their appointment letter or service agreement (as the case may be).

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

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

Name of Director	Date of Appointment	Last Re-Election Date	Directorships and Chairmanships in Other Listed Companies	
			Present	Last Three Years
Mdm Sri Tjintawati Hartanto	15 January 2009	29 July 2019	-	-
Dr Michael Kuan-Chi Sun	7 March 2014	29 July 2019	-	1) China Innovation Investment Limited 2) China Trends Holdings Limited
Ms Wang Xiao Zheng	23 May 2020	30 June 2020	-	-
Mr Lee Chia Sin	26 April 2021	Not Applicable	1) Regal International Limited 2) China Environment Ltd	-
Mr Mahtani Bhagwandas	8 May 2021	Not Applicable	1) GRP Limited	1) Natural Cool Holdings Limited 2) Alliance Mineral Assets Limited 3) Hon Corporation Limited

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

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

# REPORT OF CORPORATE GOVERNANCE

## BOARD PERFORMANCE

**Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.**

### Provision 5.1

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

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

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

### Provision 5.2

**The Company discloses in its annual report how the assessments of the Board, its board committees and each director have been conducted, including the identity of any external facilitator and its connection, if any, with the Company or any of its directors.**

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

## REMUNERATION MATTERS

### PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

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

### Provision 6.1

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

- (a) a framework of remuneration for the Board and key management personnel; and**
- (b) the specific remuneration packages for each director as well as for the key management personnel.**

# REPORT OF CORPORATE GOVERNANCE

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

Mr Lee Chia Sin	(Chairman, Independent Director)
Mr Mahtani Bhagwandas	(Member, Independent Director)
Ms Wang Xiao Zheng	(Member, Non-Executive Non-Independent Director)

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

## **Provision 6.2**

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

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

Mr Lee Chia Sin	(Chairman, Independent Director)
Mr Mahtani Bhagwandas	(Member, Independent Director)
Ms Wang Xiao Zheng	(Member, Non-Executive Non-Independent Director)

## **Provision 6.3**

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

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

## **Provision 6.4**

**The Company discloses the engagement of any remuneration consultants and their independence in the Company's annual report.**

No remuneration consultant was engaged by the Company during FY2021. The RC may consider utilising external expert advice and data, as and when necessary, to assist in the evaluation of its compensation recommendations.

## **LEVEL AND MIX OF REMUNERATION**

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

## **Provision 7.1**

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

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

# REPORT OF CORPORATE GOVERNANCE

## Provision 7.2

**The remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.**

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

## Provision 7.3

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

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

## DISCLOSURE ON REMUNERATION

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

## Provision 8.1

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

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

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

A summary compensation table of the directors' remuneration for the financial year ended 31 March 2021 is set out below:

<b>Name of Director</b>	<b>Directors' Fees (%)</b>	<b>Salary (%)</b>	<b>Total (%)</b>
<b>Below S\$250,000</b>			
Mdm Sri Tjintawati Hartanto	100	-	100
Dr Michael Kuan-Chi Sun	100	-	100
Mr Lye Meng Yiau	-	100	100
Mr Chew Chin Wee	100	-	100
Mr Ong Tiang Lock	100	-	100
Ms Wang Xiao Zheng	100	-	100
Ms Ng Yoke Ping, Pauline	100	-	100

# REPORT OF CORPORATE GOVERNANCE

A summary compensation table of the executive officers' remuneration for FY2021 in percentage terms are set out below:

Name of Executive Officers	Salary <sup>1</sup> (%)	Bonus (%)	Total (%)
<b>Below S\$250,000</b>			
Mr Koit Ven Jee	87	13	100

Notes:-

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

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

## **Provision 8.2**

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

No employee of the Company and its subsidiary companies is a substantial shareholder of the Company or an immediate family member of Director or the Chief Executive Officer or substantial shareholder of the Company, whose remuneration exceeded S\$100,000 during FY2021.

## **Provision 8.3**

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

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

The Next-Generation Satellite Communications Performance Share Scheme ("Performance Share Scheme") was approved and adopted by the shareholders of the Company at an extraordinary general meeting of the Company held on 28 July 2010 and has since expired. The Performance Share Scheme is administered by the RC comprising Mr Lee Chia Sin, Mr Mahtani Bhagwandas and Ms Wang Xiao Zheng. Other than the Performance Share Scheme, the Company does not have any employee share option scheme or other long-term employee incentive scheme at this juncture. No shares have been issued under the Performance Share Scheme during the financial year ended 31 March 2021.

# REPORT OF CORPORATE GOVERNANCE

## ACCOUNTABILITY AND AUDIT

### RISK MANAGEMENT AND INTERNAL CONTROLS

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

#### Provision 9.1

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

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

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

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

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

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

#### Provision 9.2

**The Board requires and discloses in the Company's annual report that it has received assurance from:**

- (a) the CEO and the Chief Financial Officer ("CFO") that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and**
- (b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control systems.**

# REPORT OF CORPORATE GOVERNANCE

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

- (a) the Executive Director and the Financial Controller that the financial records have been properly maintained and the financial statements for the financial year ended 31 March 2021 give a true and fair view of the Group's operations and finances; and
- (b) the Executive Director and other key management personnel who are responsible for the Group's risk management and internal control systems that, as at 31 March 2021, the Group's risk management and internal control systems were adequate and effective to address financial, operational, compliance and information technology risks which the Group considers relevant and material to its operations.

## **AUDIT COMMITTEE**

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

### **Provision 10.1**

**The duties of the AC include:**

- (a) **reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;**
- (b) **reviewing at least annually the adequacy and effectiveness of the Company's internal controls and risk management systems;**
- (c) **reviewing the assurance from the CEO and the CFO on the financial records and financial statements;**
- (d) **making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;**
- (e) **reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function; and**
- (f) **reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The Company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.**

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

Mr Mahtani Bhagwandas	(Chairman, Independent Director)
Mr Lee Chia Sin	(Member, Independent Director)
Mdm Sri Tjintawati Hartanto	(Member, Non-Executive Non-Independent Director)

Mr Mahtani Bhagwandas chairs this Committee. The AC met four times in the financial year under review. It performs the following functions:-

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

# REPORT OF CORPORATE GOVERNANCE

- Reviewing the balance sheet of the Company, the consolidated financial statements of the Group for the financial year ended 31 March 2021 and other announcements to shareholders and the SGX-ST before submission to the Board of Directors (“Board”) for approval, as well as the independent auditor’s report on the balance sheets of the Company and the Consolidated financial statements of the Group;
- Appraising and reporting to the Board on the audits undertaken by the independent auditor, the adequacy of disclosure of information, and the adequacy and effectiveness of the system of management internal audit function and internal controls;
- Reviewing the assistance and co-operation given by the Management to the independent auditor;
- Evaluating quality of work performed by independent auditor;
- Discussing problems and concerns, if any, arising from the interim and final audits;
- Considering and make recommendations to the Board on the appointment, re-appointment and removal of independent auditor, their remuneration and terms of engagement;
- Reviewing the framework for staff to raise concerns about possible improprieties in matters of financial reporting or other matters in confidence, and that there is independent investigation of such matters and appropriate follow-up action; and
- Reviewing interested person transactions, as defined in the Listing Manual of SGX-ST.

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

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

However, RT LLP has indicated to the Company their intention of not seeking re-appointment as auditors of the Company. The resignation of RT LLP will take effect following the conclusion of the forthcoming AGM. As such, the Company will be sourcing for a new auditor to be appointed at an extraordinary general meeting to be convened by 30 November 2021.

The aggregate amount of fees paid or payable to the independent auditors of the Company, broken down into audit and non-audit services during FY2021 are as follows:-

Audit fees	: S\$160,000
Non-audit fees	: S\$NIL

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

## Whistle Blowing Policy

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



# REPORT OF CORPORATE GOVERNANCE

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

## **Provision 10.2**

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

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

Mr Mahtani Bhagwandas	(Chairman, Independent Director)
Mr Lee Chia Sin	(Member, Independent Director)
Mdm Sri Tjintawati Hartanto	(Member, Non-Executive Non-Independent Director)

Mr Lee Chia Sin and Mdm Sri Tjintawati Hartanto have recent and relevant accounting or related financial management expertise or experience. The Audit Committee Chairman also has recent and relevant financial management experience.

## **Provision 10.3**

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

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

## **Provision 10.4**

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

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

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

# REPORT OF CORPORATE GOVERNANCE

## Provision 10.5

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

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

## SHAREHOLDER RIGHTS AND ENGAGEMENT

### SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

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

## Provision 11.1

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

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

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

## Provision 11.2

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

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

## Provision 11.3

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

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

# REPORT OF CORPORATE GOVERNANCE

## **Provision 11.4**

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

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

## **Provision 11.5**

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

The Company publishes minutes of general meetings of shareholders on its SGXNET. NGSC corporate website is updated with announcements and annual reports as soon as practicable and the minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting.

## **Provision 11.6**

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

The Company does not have a fixed dividend policy. In view of the Group's weak operating results in FY2021, the Board has decided not to declare any dividend for FY2021. The issue of payment of dividend is deliberated by the Board from time to time.

## **ENGAGEMENT WITH SHAREHOLDERS**

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

## **Provision 12.1**

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

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

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

# REPORT OF CORPORATE GOVERNANCE

## Provision 12.2

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

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

## Provision 12.3

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

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

## MANAGING STAKEHOLDERS RELATIONSHIPS

### ENGAGEMENT WITH STAKEHOLDERS

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

## Provision 13.1

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

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

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

## Provision 13.2

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

Please refer to the disclosure in sustainability report, which will be announced on or before 30 August 2021 in relation to the management of stakeholder relationships during FY2021.

# REPORT OF CORPORATE GOVERNANCE

## **Provision 13.3**

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

The Company maintains its corporate website [www.ngscinvestment.com](http://www.ngscinvestment.com) with information released on the SGXNET and business developments of the Group.

## **DEALINGS IN SECURITIES**

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

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

## **INTERESTED PERSON TRANSACTIONS**

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

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

The Company has not entered into interested person transactions with aggregate value of more than S\$100,000 during FY2021 pursuant to Rule 907 of the Listing Manual of the SGX-ST.

## **MATERIAL CONTRACTS AND LOANS**

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

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

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

Dr Michael Kuan-Chi Sun, Mr Lee Chia Sin and Mr Mahtani Bhagwandas are the retiring Directors who are seeking re-election at the forthcoming Annual General Meeting ("AGM") of the Company. Pursuant to Rule 720(6) of the SGX-ST Listing Manual, the information relating to the retiring Directors, in accordance to Appendix 7.4.1 of the SGX-ST Listing Manual, is set out below:

Name of Director	Michael Kuan-Chi Sun	
Date of appointment	7 March 2014	
Date of last election	29 July 2019	
Age	73	
Country of principal residence	United States	
The Board's comments on the NC's recommendation for re-election	Upon the recommendation of the Nominating Committee, which had reviewed the qualification and experience of Dr Michael Kuan-Chi Sun, the Board of Directors approved his re-appointment as Executive Director of the Company.	
Whether appointment is executive, and if so, the area of responsibility	Executive.  Responsible for managing and developing HughesNet China, a joint venture of NGSC Limited.	
Job title	Executive director	
Professional Qualifications	-	
Working experience and occupation(s) during past 10 years	2014 to date - Director, NGSC Limited  2010 to date - Chief Executive Officer of HughesNet China  1984 to 2010 - Vice President of Hughes Network Systems	
Shareholdings interest in the listed issuer and its subsidiaries	Direct Interest - 9,000,000 ordinary shares of NGSC Limited	
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	
Conflict of interest (including any competing business)	Nil	

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

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

	<b>Lee Chia Sin</b>	<b>Mahtani Bhagwandas</b>
	26 April 2021	8 May 2021
	Not Applicable	Not Applicable
	42	53
	Singapore	Singapore
	Upon the recommendation of the Nominating Committee, which had reviewed the qualification and experience of Mr Lee Chia Sin, the Board of Directors approved his re-appointment as Independent Director of the Company	Upon the recommendation of the Nominating Committee, which had reviewed the qualification and experience of Mr Mahtani Bhagwandas, the Board of Directors approved his re-appointment as Independent Director of the Company
	No. Non-Executive.	No. Non-Executive.
	Independent Director, Chairman of Nominating Committee and Remuneration Committee, and member of Audit Committee	Independent Director, Chairman of Audit Committee and member of Nominating Committee and Remuneration Committee
	FCCA, CA Singapore, CA Malaysia	LLB Honours
	2011 to date – Audit Partner, CKS Associates, Veronica L & Associates, CKS Assurance PAC	Formerly as an Advocate and Solicitor
	No	Direct Interest – 3,000 ordinary shares of NGSC Limited
	Nil	Nil
	Nil	Nil

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

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

Name of Director	Michael Kuan-Chi Sun	
Undertaking (in the format set out in <u>Appendix 7H</u> ) under <u>Rule 720(1)</u> has been submitted to the listed issuer	Yes	
Other Principal Commitments Including Directorships	<u>Past (for the last 5 years)</u>  Nil  <u>Present</u>  Nil	



# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

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

	<b>Lee Chia Sin</b>	<b>Mahtani Bhagwandas</b>
	Yes	Yes
	<p><u>Past (for the last 5 years)</u></p> <p>Loewe Fashion Pte Ltd China Metals &amp; Minerals Pte Ltd Creative Corporate Management Sdn Bhd Creative Tax Advisory Sdn Bhd Clover Leisure Sdn Bhd</p> <p><u>Present</u></p> <p>Regal International Limited China Environment Ltd China Dongyuan Environment Pte Ltd Creative Business Management Pte Ltd CKS Assurance PAC Creative Corporate Management Pte Ltd Creative Global Mgt Pte Ltd CS Portfolio Pte Ltd East Wing Consultancy Pte Ltd Eurokem (SEA) Pte Ltd Nextrend Technology Pte Ltd 13 Resources Pte Ltd Metal Alliance Pte Ltd Creative Business Management Sdn Bhd Creative Hub Corporation Sdn Bhd Interactive Portfolio Sdn Bhd</p>	<p><u>Past (for the last 5 years)</u></p> <p>Agrasol Pte. Ltd. Agro Commtrade Pte. Ltd. Agrogo Inspections Pte. Ltd. Agrogo Logistics Pte. Ltd. Agrogo Market Pte. Ltd. Agrogo Secure Pte. Ltd. Agrogo Trades Pte. Ltd. Alliance Mineral Assets Limited Elsemore Maritime Singapore Pte. Ltd. Filago Pte. Ltd. Fortis Bulkiers Pte. Ltd. FVG Singapore Pte. Ltd. Good Lord Pte. Ltd. Ginger Pte. Ltd. Hon Corporation Limited Kundanmalls' Holdings Pte. Ltd. Legal Standard-Acies LLC Natural Cool Holdings Limited Samjin Singapore Pte. Ltd. SBI Offshore Limited Superbound Investment Inc. Pte. Ltd. Vertic Hydro Pte. Ltd.</p> <p><u>Present</u></p> <p>GRP Limited AP2KP Worldwide Pte. Ltd. Arcus Carriers Pte. Ltd. Asa Shipping &amp; Energy Pte. Ltd. Azee Communications Pte. Ltd. DSSG Consulting Pte. Ltd. Evergreen Global QSR Pte. Ltd. Forpro Pte. Ltd. Homing Fu International Pte. Ltd. Kraainem Holdings Pte. Ltd. Mikat Trading &amp; Investment Pte. Ltd. Misha Pte. Ltd. PH Investments Pte. Ltd. Phoenix Solar Pte. Ltd. Quantum Impex Pte. Ltd. Repsol Singapore Pte. Ltd. Summit 29K Pte. Ltd. SMB Holdings Pte. Ltd. TBT Pte. Ltd.</p>

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

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

The general statutory disclosures of the Directors are as follows:

Question	Michael Kuan-Chi Sun	
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	
(c) Whether there is any unsatisfied judgment against him?	No	
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

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

	Lee Chia Sin	Mahtani Bhagwandas
	No	No
	No	No
	No	No
	No	No
	No	No

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

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

Question	Michael Kuan-Chi Sun	
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:—		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

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

	<b>Lee Chia Sin</b>	<b>Mahtani Bhagwandas</b>
	No	No
	No	No
	No	No
	No	Yes. Please see Annexure A below.
	No	Yes. Please see Annexure A below.
	No	No

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

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

Question	Michael Kuan-Chi Sun	
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

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

	<b>Lee Chia Sin</b>	<b>Mahtani Bhagwandas</b>
	No	No
	No	No
	No	Yes. Please see Annexures A and B below.

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION PURSUANT TO RULE 720(6) OF THE SGX-ST LISTING MANUAL

## Annexure A

1. In 2018, there were disciplinary proceedings under the Law Society against Mr Mahtani Bhagwandas ("Mr Mahtani") for having allegedly acted for a client whilst he was in a position of conflict of interest, and/or allegedly for having preferred the interest of another party over the client, both of which were denied. The Disciplinary Tribunal dismissed the complaint against him.
2. In 2019, SGX imposed 5 Charges against all the directors (Mr Mahtani was one of the directors) of a company listed on SGX for not having consulted with the SGX prior to the disposal of a subsidiary company and for not holding and EOGM for the disposal of a factory property. SGX proceeded with 4 Charges and the LDC found the independent directors guilty of 2 Charges and imposed a private reprimand (the executive director was given the matter was to be kept private and confidential in so far as the independent directors were concerned (i.e. any publication of the ruling will have names of the company and the independent directors redacted/removed). SGX has since filed an appeal against the ruling, and similarly, the executive director has filed an appeal against the ruling on him.
3. In 2020, there were Disciplinary Proceedings under the Law Society against Mr Mahtani for having acted for a client (who was the mistress/partner of the former client, and who bore 2 children to him) against the former client (now his Estate as he passed away) whilst he was aware of this confidential information during his lifetime (i.e. his assets), and further, for not disclosing that he was acting for the client against the Estate to the administrators in a timely manner, who then allegedly provided him with further confidential information (as his ex-wife – requirement to have a minimum of 2 administrators as there are minority interests to the Estate). The Disciplinary Tribunal has found against Mr Mahtani and referred the matter to the Court of 3 judges, whom have made a ruling that he be suspended from practice for two years from 14 June 2021 in relation to professional misconduct issues against Mr Mahtani. The misconduct charges were in relation to (i) acting for a client against a former client who has passed away despite having acquired confidential information about the former client, and (ii) not making a timely disclosure to the administrators of the former client's estate about his conflict of interest.

## Annexure B

Mr Mahtani has attended an interview on 17 May 2021 conducted by the Commercial Affairs Department in relation to an investigation involving certain private companies unrelated to NGSC Limited, in which Mr Mahtani is/was a nominee director.

As at the date of this Annual Report, the aforesaid investigation is still ongoing and remains confidential and no charges have been made against any person or entity. Mr Mahtani is not the subject of the investigation and was assisting in the investigation. There are no restrictions or conditions imposed by the Commercial Affairs Department on him and his travel document was not required to be retained by the Commercial Affairs Department.



# 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.

# 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

#### Ordinary shares

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.

# 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:

<u>Director</u>	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
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

**Mahtani Bhagwandas**  
Director

11 August 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
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<p><b>Impairment assessment of investment in joint ventures</b></p> <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"> <li>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");</li> <li>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;</li> <li>3) Evaluated the qualifications and competence of the independent valuer;</li> <li>4) Considered the valuation methodologies adopted;</li> <li>5) Tested the integrity of inputs of the projected cash flows used in the valuation;</li> <li>6) Challenged the cash flow forecasts used with comparison to recent information, historical trend analysis to the extent relevant; and</li> <li>7) For key inputs used for the DCF such as discount rate and weighted costs of capital, ensured the valuer has taken into consideration the general market outlook for the relevant industry, including comparing against comparable listed companies.</li> </ol>
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# **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.



# **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

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

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

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2021

	Note	Group		Company	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Non-current assets</b>					
Property, plant and equipment	10	240	240	240	240
Investment in joint ventures	11	-	22,736	-	-
Investment in subsidiaries	12	-	-	55	45,092
		<b>240</b>	22,976	<b>295</b>	45,332
<b>Current assets</b>					
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	-	-
		<b>13,899</b>	15,558	<b>13,862</b>	15,574
<b>Total assets</b>		<b>14,139</b>	38,534	<b>14,157</b>	60,906
<b>Current liabilities</b>					
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	-	-	-
		<b>3,784</b>	1,186	<b>1,431</b>	38,796
<b>Non-current liabilities</b>					
Lease liability	23	155	154	155	154
<b>Total liabilities</b>		<b>3,939</b>	1,340	<b>1,586</b>	38,950
<b>Net assets</b>		<b>10,200</b>	37,194	<b>12,571</b>	21,956
<b>Capital and reserves attributable to equity holders of the Company</b>					
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)
		<b>10,279</b>	37,264	<b>12,571</b>	21,956
Non-controlling interests		(79)	(70)	-	-
<b>Total equity</b>		<b>10,200</b>	37,194	<b>12,571</b>	21,956

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

# 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 <sup>(1)</sup> \$'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
<b>Other comprehensive income for the financial year, net of tax:</b>								
- 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	<b>145,623</b>	<b>(1,219)</b>	<b>(169)</b>	<b>(1,140)</b>	<b>2,632</b>	<b>(108,463)</b>	<b>(70)</b>	<b>37,194</b>
Loss for the financial year	-	-	-	-	-	(24,050)	(9)	(24,059)
<b>Other comprehensive loss for the financial year, net of tax:</b>								
- Currency translation difference arising on consolidation	-	-	-	-	(2,935)	-	-	(2,935)
Total comprehensive loss for the financial year	-	-	-	-	(2,935)	(24,050)	(9)	(26,994)
<b>Balance at 31.03.2021</b>	<b>145,623</b>	<b>(1,219)</b>	<b>(169)</b>	<b>(1,140)</b>	<b>(303)</b>	<b>(132,513)</b>	<b>(79)</b>	<b>10,200</b>

Note:

<sup>(1)</sup> Currency translation reserve

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

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

# STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

<b>Company</b>	<b>Share capital \$'000</b>	<b>Treasury shares \$'000</b>	<b>Capital reserve \$'000</b>	<b>Settlement shares \$'000</b>	<b>Accumulated losses \$'000</b>	<b>Total \$'000</b>
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)
<b>Balance at 31.03.2021</b>	<b>145,623</b>	<b>(1,219)</b>	<b>(169)</b>	<b>(1,140)</b>	<b>(130,524)</b>	<b>12,571</b>

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

	<b>No. of years</b>
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 FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

## 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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

## 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

## 5 Other income

	<b>Group</b>	
	<b>2021</b>	2020
	<b>\$'000</b>	\$'000
Interest income	<b>39</b>	119
Gain on disposal of subsidiaries	<b>1,362</b>	2,723
Foreign exchange gain	<b>1,419</b>	-
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	<b>66</b>	-
Rent concession	<b>12</b>	-
	<b>2,898</b>	21,550

## 6 (Loss)/Profit before income tax

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

## 7 Employee benefits expense

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

## 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:

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

	<b>Group</b>	
	<b>2021</b>	2020
	<b>\$'000</b>	\$'000
(Loss)/profit attributable to the equity holders of the Company	<b>(24,050)</b>	19,761
<u>Number of shares</u>		
Weighted average number of ordinary shares for the purpose of basic earnings per share ('000)	<b>6,424,736</b>	6,424,736
Earnings per share attributable to equity holders of the Company (cents per share):		
- Basic	<b>(0.3743)</b>	0.3076
- Diluted	<b>(0.3743)</b>	0.3076

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

## 10 Property, plant and equipment

Group	Leasehold improvement \$'000	USO equipment \$'000	Plant and equipment \$'000	Total \$'000
<b>Cost</b>				
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	<b>457</b>	<b>-</b>	<b>59</b>	<b>516</b>
<b>Accumulated depreciation</b>				
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	<b>220</b>	<b>-</b>	<b>56</b>	<b>276</b>
<b>Carrying amount</b>				
At 31.3.2020	238	-	2	240
At 31.3.2021	<b>237</b>	<b>-</b>	<b>3</b>	<b>240</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

## 10 Property, plant and equipment (cont'd)

Company	Leasehold improvement \$'000	Plant and equipment \$'000	Total \$'000
<b>Cost</b>			
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	<b>457</b>	<b>59</b>	<b>516</b>
<b>Accumulated depreciation</b>			
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	<b>220</b>	<b>56</b>	<b>276</b>
<b>Carrying amount</b>			
At 31.3.2020	238	2	240
At 31.3.2021	<b>237</b>	<b>3</b>	<b>240</b>

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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

## 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 %
<b>Held through China</b>				
<b>UnifiedNet Holdings Limited</b>				
HUH Broadband Communication Company Limited ("HUH") <sup>(1)</sup>	Investment holding and trading of satellite communication system devices	Hong Kong SAR	55	55
<b>Held through HUH</b>				
HUH Company Limited	Trading in satellite communication system devices	Hong Kong SAR	55	55
<b>Held through HUH</b>				
HNC Company Limited (Shenzhen)	Trading in satellite communication system devices	People's Republic of China	55	55

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

## 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 %
<b>Held through HNC Company Limited (Shenzhen)</b>				
HNC Company Limited ("HNC") <sup>(1) (2)</sup>	Development of internet and satellite communication system technology and trading in satellite communication system devices	People's Republic of China	<b>55</b>	55
<b>Held through HNC</b>				
Beijing China Satcom Unified Network Systems Technology Co., Ltd. <sup>(1)</sup>	Development of internet and computer technology	People's Republic of China	<b>55</b>	55
<b>Held through HUH Company Limited</b>				
Belt and Road Broadband Satellite Company Limited	Trading in satellite communication system devices	Cayman Islands	<b>55</b>	55
<b>Held through NGSC Capital Limited</b>				
Indo EM Growth Fund GP Holdings Limited ("Indo EM Holdings") <sup>(1)</sup>	Investment holding	Cayman Islands	<b>50</b>	50

<sup>(1)</sup> 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

<sup>(2)</sup> 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").



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

## 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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

## 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
<b><u>Summarised statement of profit or (loss) and other comprehensive income/(loss)</u></b>				
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)
<b><u>Summarised statement of financial position</u></b>				
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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

## 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 <sup>(1)</sup>	Investment holding	Singapore	100	100
VIP (HK) Ltd ("VIP HK") <sup>(2)(4)</sup>	Investment holding and satellite telecommunications related sales and services rendering	Hong Kong SAR	-	100
China UnifiedNet Holdings Limited <sup>(3)(4)</sup>	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 <sup>(1)</sup>	Investment holding	Singapore	100	100
NGSC Capital Pte. Ltd. <sup>(1)(4)</sup>	Investment holding	Singapore	55	55

# 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 %
<b>Held through VIP (HK) Ltd</b>				
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
<b>Held through NGSC Capital Pte Ltd</b>				
NGSC Investment Limited <sup>(2)</sup>	Investment holding	Hong Kong SAR	55	55
NGSC Capital Limited <sup>(3)(4)</sup>	Investment holding	Cayman Islands	55	55

<sup>(1)</sup> Audited by AG Assurance, Singapore.

<sup>(2)</sup> Audited by World Link CPA Limited for local statutory reporting.

<sup>(3)</sup> Not required to be audited in the country of incorporation.

<sup>(4)</sup> 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.

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

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").

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

## 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

### Consideration received

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

### Gain on disposal of subsidiaries

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

### The aggregate cash outflow arising from disposal of subsidiaries

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

# 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	<u>-</u>	<u>-</u>

### 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	<b>9,539</b>
Effect of adopting SFRS(I) 9	-
At 1 April 2019	<b>9,539</b>
Disposal during the year	<b>(9,539)</b>
At 31 March 2020 and 1 April 2020	-
Charge for the year	-
At 31 March 2021	<u>-</u>

## 14 Other receivables, deposits and prepayments

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



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

<sup>(1)</sup> 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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

### <sup>(2)</sup> 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:

<b>31 March 2012</b>	<b>Group's records \$'000</b>	<b>Audit Confirmation \$'000</b>	<b>Discrepancy \$'000</b>
Type of cash balance			
<b>Group</b>			
Free cash balance	22,586	21	22,565
Restricted cash balance	4,235	24,005	19,770
Total	26,821	24,026	2,795
<b>Company</b>			
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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

### <sup>(2)</sup> 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

<sup>(2)</sup> Other receivables – Niaga (cont'd)

Background information (cont'd)

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

	← The Subsidiaries →				The Company		Group Total	
	VIP HK		SLTL		NGSC		2016/ 2015	2014
	2016/ 2015	2014	2016/ 2015	2014	2016/ 2015	2014		
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Balance at beginning of the financial year	<b>633</b>	13,302	-	2,808	-	9,409	<b>633</b>	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
	<b>633</b>	633	-	-	-	-	<b>633</b>	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.

<sup>(3)</sup> Loan to joint ventures

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

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

	Group	
	2021 \$'000	2020 \$'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 \$'000	2020 \$'000	2021 \$'000	2020 \$'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 \$'000	2020 \$'000
Amounts due from subsidiaries [Note (a)]	-	12,994
Amounts due to subsidiaries	(38)	(37,717)
<u>Note (a):</u>		
Amounts due from subsidiaries	445	19,694
Less: Allowance for impairment	(445)	(6,700)
	-	12,994

# NOTES TO THE FINANCIAL STATEMENTS

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:

	<b>Company</b>	
	<b>2021</b>	2020
	<b>\$'000</b>	\$'000
Balance at beginning of the financial year	<b>6,700</b>	15,878
Charged to profit or loss	<b>145</b>	339
Reversal of allowance for impairment	<b>(6,400)</b>	(9,515)
Exchange differences	-	(2)
Balance at end of the financial year	<b>445</b>	6,700

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

	<b>Company</b>	
	<b>2021</b>	2020
	<b>\$'000</b>	\$'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	<b>28</b>	7,508
United States dollars	<b>10</b>	1,869
Hong Kong dollars	-	28,340
	<b>38</b>	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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

## 16 Cash and bank balances

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Cash and bank balances	<b>13,631</b>	15,463	<b>13,606</b>	2,493

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

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Singapore dollars	<b>10,318</b>	11,714	<b>10,306</b>	1,627
United States dollars	<b>3,243</b>	3,559	<b>3,230</b>	680
Indonesian rupiah	-	-	-	-
Hong Kong dollars	<b>70</b>	190	<b>70</b>	186
	<b>13,631</b>	15,463	<b>13,606</b>	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 \$'000	2020 \$'000
United States dollars	-	11

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

## 18 Other payables and accruals

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Other payables				
- Amount due to joint venture <sup>(4)</sup>	<b>2,371</b>	-	-	-
- Director related company <sup>(1)</sup>	-	4	-	-
- Third parties	<b>93</b>	93	<b>93</b>	93
	<b>2,464</b>	97	<b>93</b>	93
Accruals <sup>(2)</sup>	<b>1,174</b>	939	<b>1,155</b>	847
Amount due to former director <sup>(3)</sup>	<b>53</b>	53	<b>53</b>	53
	<b>3,691</b>	1,089	<b>1,301</b>	993

<sup>(1)</sup> 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.

<sup>(2)</sup> Included in accruals are \$0.8 million (2020: \$0.8 million) that relates to the provision of directors' fees.

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

<sup>(4)</sup> 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 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Singapore dollars	<b>1,251</b>	1,010	<b>1,232</b>	993
United States dollars	<b>2,371</b>	19	-	-
Hong Kong dollars	<b>69</b>	60	<b>69</b>	-
	<b>3,691</b>	1,089	<b>1,301</b>	993



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

## 19 Share capital

	Group and Company			
	2021		2020	
	Number of ordinary shares '000	\$'000	Number of ordinary shares '000	\$'000
<b>Issued and paid-up</b>				
Balance at beginning of the financial year	<b>6,448,936</b>	<b>145,623</b>	6,448,936	145,623
Balance at the end of the financial year	<b>6,448,936</b>	<b>145,623</b>	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 '000	\$'000	Number of ordinary shares '000	\$'000
Balance at beginning and end of the financial year	<b>(24,200)</b>	<b>(1,219)</b>	(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	<b>(169)</b>	(169)

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

## 22 Settlement shares

	<b>Group and Company</b>	
	<b>2021</b>	2020
	<b>\$'000</b>	\$'000
Balance at beginning and end of the financial year	<b>(1,140)</b>	(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

	<b>Leasehold improvement Group and Company \$'000</b>
At 1 April 2019	-
Addition (adoption of SFRS(I) 16)	<b>321</b>
Depreciation	<b>(83)</b>
At 31 March 2020	<b>238</b>
Modification of lease liability	<b>81</b>
Depreciation	<b>(82)</b>
At 31 March 2021	<b>237</b>

(b) Amounts recognised in profit or loss

	<b>Group 2021 \$'000</b>	Group 2020 \$'000
Depreciation of right-of-use assets	<b>82</b>	83
Interest expense on lease liabilities	<b>3</b>	4
Total amount recognised in profit or loss	<b>85</b>	87

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

## 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).

# 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:

	<b>Building, operating and leasing USO equipment, provision data center and connectivity service</b>	<b>Unallocated</b>	<b>Group</b>
<b>2021</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Revenue</b>			
External sales	-	-	-
<b>Segment results</b>			
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
<b>Non-current assets</b>	-	240	240
<b>Other segment items</b>			
Depreciation of property, plant and equipment (Note 10)	-	85	85

# 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
<b>Revenue</b>			
External sales	-	-	-
<b>Segment results</b>			
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
<b>Non-current assets</b>	4,521	18,455	22,976
<b>Other segment items</b>			
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>	
	<b>2021</b>	2020
	<b>\$'000</b>	\$'000
People's Republic of China	-	22,736
Singapore	<b>240</b>	240
Group	<b>240</b>	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:

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
<i>Financial assets</i>				
At amortised cost	<b>13,844</b>	15,518	<b>13,819</b>	15,536
	<b>13,844</b>	15,518	<b>13,819</b>	15,536
<i>Financial liabilities</i>				
At amortised cost	<b>3,691</b>	1,100	<b>1,339</b>	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:	<b>SGD</b>	<b>USD</b>	<b>HKD</b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
<b>Group</b>			
<b>2021</b>			
<b><u>Financial assets</u></b>			
Other receivables and deposits (exclude prepayments)	208	-	5
Cash and bank balances	10,318	3,243	70
	<b><u>10,526</u></b>	<b><u>3,243</u></b>	<b><u>75</u></b>
<b><u>Financial liabilities</u></b>			
Other payables and accruals	1,251	2,371	69
	<b><u>1,251</u></b>	<b><u>2,371</u></b>	<b><u>69</u></b>
Net financial assets	9,275	872	6
Less: Net financial assets denominated in the respective entities functional currencies	(9,275)	-	-
Foreign currency exposure	<b><u>-</u></b>	<b><u>872</u></b>	<b><u>6</u></b>

# 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:	<b>SGD</b>	<b>USD</b>	<b>HKD</b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
<b>Group</b>			
2020			
<b><u>Financial assets</u></b>			
Other receivables and deposits (exclude prepayments)	47	2	6
Cash and bank balances	11,714	3,559	190
	<b>11,761</b>	<b>3,561</b>	<b>196</b>
<b><u>Financial liabilities</u></b>			
Trade payables	-	11	-
Other payables and accruals	1,010	19	60
	<b>1,010</b>	<b>30</b>	<b>60</b>
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	<b>-</b>	<b>3,531</b>	<b>136</b>
<b>Company</b>			
2021			
<b><u>Financial assets</u></b>			
Other receivables and deposits (exclude prepayments)	208	-	5
Cash and bank balances	10,306	3,230	70
	<b>10,514</b>	<b>3,230</b>	<b>75</b>
<b><u>Financial liabilities</u></b>			
Amounts due to subsidiaries	28	10	-
Other payables and accruals	1,232	-	69
	<b>1,260</b>	<b>10</b>	<b>69</b>
Net financial assets	9,254	3,220	6
Less: Net financial assets denominated in the Company's functional currency	(9,254)	-	-
Foreign currency exposure	<b>-</b>	<b>3,220</b>	<b>6</b>



# 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:	<b>SGD</b>	<b>USD</b>	<b>HKD</b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
<b>Company</b>			
2020			
<b><u>Financial assets</u></b>			
Other receivables and deposits (exclude prepayments)	49	-	-
Amounts due from subsidiaries	10,017	2,861	116
Cash and bank balances	1,627	680	186
	<b><u>11,693</u></b>	<b><u>3,541</u></b>	<b><u>302</u></b>
<b><u>Financial liabilities</u></b>			
Amounts due to subsidiaries	7,508	1,869	28,340
Other payables and accruals	993	-	-
	<b><u>8,501</u></b>	<b><u>1,869</u></b>	<b><u>28,340</u></b>
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	<b><u>-</u></b>	<b><u>1,672</u></b>	<b><u>(28,038)</u></b>

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 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<u>Group</u>				
Profit or loss (after tax)	<b>36</b>	147 (i)	-	6 (i)

##### Company

Profit or loss (after tax)	<b>134</b>	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 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<u>Group</u>				
Profit or loss (after tax)	<b>(36)</b>	(147) (i)	-	(6) (i)

##### Company

Profit or loss (after tax)	<b>(134)</b>	(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
<hr/>				
<u>Company</u>				
Amounts due to subsidiaries	38	-	37,717	-
Trade and other payables	1,301	-	993	-
Lease liability	95	157	86	154
<hr/>				

# 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 forward-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
<b>31 March 2021</b>						
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>	
<b>31 March 2020</b>						
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
<b>31 March 2021</b>						
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>	
<b>31 March 2020</b>						
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 SGX-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.



# SUSTAINABILITY REPORT SUMMARY

Sustainable practices have always been recognised as an important factor in the Group’s long-term success. In this respect, the Group strives to create value for all stakeholders and partners while embracing sustainable practices. Facing the formidable challenges caused by climate change, the Group will continue to fulfill corporate social responsibility by contributing to the economic, environmental and social well-being of the wider community.

Information on the Group’s sustainable policies, initiatives, measures, performance and targets in the financial year ended 31 March 2021 (“FY2021”) can be found in the Group’s Sustainability Report 2021, which is prepared in accordance with Rules 711A and 711B of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) Listing Manual and with reference to the Global Reporting Initiative (“GRI”) Standards.

As part of the Group’s responsibility to communicate with both internal and external stakeholders, the Group conducted a materiality assessment to identify its material issues.

The following material issues were identified as the key concerns of stakeholders.

Category	Material Topics
Governance	Anti-corruption
	Risk Management
Environment	Environmental Compliance
	Green Office
Social	Customer Privacy Protection
	Business Partners Management
	Employment Practice
	Diversity, Equal Opportunity and Anti-discrimination
	Training and Education

Details on the Group’s sustainability governance structure, strategy to manage stakeholder relationships, as well as the materiality assessment process and results will be presented in the Sustainability Report 2021, which will be published in due course. The Group will also monitor its progress in achieving its sustainability targets for each material topics, continuously improve its management in key sustainability risks and opportunities, and strive for a more sustainable growth for the Group.

# INFORMATION ON SHAREHOLDING

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

## Distribution of shareholdings as at 30 July 2021

Size of shareholdings	No. of shareholders	%	No. of Shares	%
1 – 99	16	0.15	612	0.00
100 – 1,000	1,173	10.95	1,147,064	0.02
1,001 – 10,000	3,338	31.17	15,840,080	0.25
10,001 – 1,000,000	5,759	53.77	854,613,674	13.30
1,000,001 and above	424	3.96	5,553,134,398	86.43
<b>Total</b>	<b>10,710</b>	<b>100.00</b>	<b>6,424,735,828</b>	<b>100.00</b>

Based on the information available to the Company as at 30 July 2021, approximately 67.92% of the issued ordinary shares of the Company is held by the public and, therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Limited is complied with.

## Twenty largest shareholders as at 30 July 2021

No.	Name of shareholders	No. of shares	%
1	UOB Kay Hian Pte Ltd	1,924,267,389	29.95
2	Citibank Nominees Singapore Pte Ltd	391,731,460	6.10
3	Wong Nam Sin	213,800,000	3.33
4	DBS Nominees Pte Ltd	182,567,765	2.84
5	OCBC Securities Private Ltd	167,009,412	2.60
6	Phillip Securities Pte Ltd	166,186,265	2.59
7	United Overseas Bank Nominees Pte Ltd	159,070,045	2.48
8	Miao Mingfeng	119,324,000	1.86
9	Maybank Kim Eng Securities Pte. Ltd	115,355,439	1.80
10	HSBC (Singapore) Nominees Pte Ltd	109,259,000	1.70
11	RSM (Ong Teck Beng – B981/2017)	79,400,000	1.24
12	Wong Kwan Seng Robert or Tan Cheng Kit Alice	76,000,000	1.18
13	CGS-CIMB Securities (Singapore) Pte Ltd	61,764,000	0.96
14	Lim & Tan Securities Pte Ltd	52,301,000	0.81
15	Yoong Ah Ling	51,453,000	0.80
16	Lim Chin Tong	50,000,000	0.78
17	Ng Kun Kuan	45,000,000	0.70
18	Wisanggeni Lauw	43,533,333	0.68
19	Tok Boon Choo	42,993,000	0.67
20	ABN Amro Clearing Bank N.V.	29,450,900	0.46
	<b>Total:</b>	<b>4,080,466,008</b>	<b>63.53</b>

# INFORMATION ON SHAREHOLDING

## Substantial shareholders

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

### Notes:

- 1 The percentage of issued share capital is calculated based on 6,424,735,828 shares (excluding 24,200,000 treasury shares).
- 2 Telemedia Pacific Group Limited ("TPG") is deemed to have an interest in 1,664,500,000 Shares held through various nominees accounts.
- 3 Family Unit Foundation Ltd is deemed to have an interest in the Shares held by TPG by virtue of Section 7 of the Companies Act.
- 4 Mr. Hady Hartanto is deemed to have an interest in 11,597,000 Shares held through Messrs Straits Law Practice LLC as nominee and 1,664,500,000 Shares held by TPG by virtue of Section 7 of the Companies Act.
- 5 Ban Joo Investment (Pte) Ltd is deemed to have an interest in 384,799,887 shares held through a nominee account.

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting (“AGM”) of NGSC Limited (the “Company”) will be convened and held by way of electronic means on Monday, 30 August 2021 at 10 a.m., to transact the following businesses: -

## **(A) ORDINARY BUSINESS**

1. To receive and adopt the Directors’ Statement and the audited financial statements for the financial year ended 31 March 2021 together with the Auditors’ Report thereon. **(Resolution 1)**
2. To re-elect the following Directors retiring under the Company’s Constitution:
  - (i) Dr Michael Kuan-Chi Sun (Regulation 91) [See Explanatory Note (i)] **(Resolution 2)**
  - (ii) Mr Lee Chia Sin (Regulation 97) [See Explanatory Note (ii)] **(Resolution 3)**
  - (iii) Mr Mahtani Bhagwandas (Regulation 97) [See Explanatory Note (iii)] **(Resolution 4)**
3. To approve the payment of Directors’ Fees of S\$253,424.66 for the financial year ended 31 March 2021 (2020: S\$183,661). **(Resolution 5)**
4. To record that Messrs RT LLP will not be seeking re-appointment as Auditors of the Company. [See Explanatory Note (iv)]

## **(B) SPECIAL BUSINESS**

5. To consider and, if thought fit, to pass the following resolution as Ordinary Resolution, with or without amendments: **(Resolution 6)**

### **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);

# NOTICE OF ANNUAL GENERAL MEETING

provided that:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of instruments made or granted pursuant to this Resolution) does not exceed 50% of the issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below) of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
  - (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
    - (aa) new Shares arising from the conversion or exercise of any convertible securities which were issued and are outstanding or subsisting at the time of the passing of this Resolution;
    - (bb) new Shares arising from the exercise of share options or the vesting of share awards which were issued and are outstanding or subsisting at the time of the passing of this Resolution and provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and
    - (cc) any subsequent bonus issue, consolidation or subdivision of shares;
  - (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company;
  - (4) unless revoked or varied by the Company in general meeting, such authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting ("AGM") of the Company is required by law to be held, whichever is the earlier."  
[See Explanatory Note (v)]
6. To transact any other business that may be properly transacted at an Annual General Meeting.

BY ORDER OF THE BOARD

Dr Michael Kuan-Chi Sun  
Executive Director

Date: 15 August 2021

# NOTICE OF ANNUAL GENERAL MEETING

## Explanatory Notes:

- (i) Detailed information on Dr Michael Kuan-Chi Sun can be found in the Company's annual report 2021. Dr Michael Kuan-Chi Sun will, upon re-election as a Director, continue to serve as the Executive Director of the Company. Please refer to pages 28 to 38 of the Annual Report for the detailed information required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST.
- (ii) Detailed information on Mr Lee Chia Sin can be found in the Company's annual report 2021. Mr Lee Chia Sin will, upon re-election as a Director, continue to serve as Independent Director, Chairman of the Nominating Committee and Remuneration Committee and Member of the Audit Committee of the Company. Mr Lee Chia Sin is considered by the Board to be independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST. Please refer to pages 28 to 38 of the Annual Report for the detailed information required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST.
- (iii) Detailed information on Mr Mahtani Bhagwandas can be found in the Company's annual report 2021. Mr Mahtani Bhagwandas will, upon re-election as a Director, continue to serve as Independent Director, Chairman of the Audit Committee and Member of the Nominating Committee and Remuneration Committee of the Company. Mr Mahtani Bhagwandas is considered by the Board to be independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST. Please refer to pages 28 to 38 of the Annual Report for the detailed information required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST.
- (iv) The auditors of the Company, Messrs RT LLP, has indicated to the Company their intention of not seeking re-appointment as auditors of the Company. The resignation of RT LLP will take effect following the conclusion of this meeting. As such, the Company will be sourcing for a new auditor to be appointed at an extraordinary general meeting to be convened by 30 November 2021. Messrs RT LLP has confirmed that it is not aware of any Professional reasons why a new auditor should not accept appointment as auditors of the Company.
- (v) The Ordinary Resolution 6 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.

## Notes on the alternative arrangements for the forthcoming AGM:

- (i) This forthcoming AGM is convened and is to be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 and as amended by COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) (Amendment No.2) Order 2020 and the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) (Amendment No.3) Order 2020. This Notice is published on the SGX website (<https://www.sgx.com/securities/meeting-schedules>). Printed copies of this Notice will not be mailed to members (i.e. shareholders) of the Company.

# NOTICE OF ANNUAL GENERAL MEETING

- (ii) In view of the COVID-19 restrictions imposed by the Government of Singapore, **members will not be able to attend the forthcoming AGM in person.** A member (whether individual or corporate) who wishes to exercise his/her/its voting rights at the forthcoming AGM must appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM. A member should specifically indicate how the member wishes to vote for or vote against (or abstain from voting on) the resolutions.
- (iii) A member who wishes to watch and observe the proceedings of the AGM through a live webcast (comprising both video (audio-visual) and audio-only feeds) via their mobile phones, tablets or computers are to submit their request by email, with their full name (as per CDP/CPF/SRS/Script-based records), identification number (e.g. NRIC/Passport Number/FIN), shareholding type(s) (e.g. CDP/CPF/SRS/Script-based), email address and contact number (to enable the Company and/or its agents and service providers to authenticate their status as member) to the Company by **10.00 a.m. on 27 August 2021** (i.e. not less than 72 hours before the time appointed for holding the above AGM), to [jamie.koit@ngscinvestment.com](mailto:jamie.koit@ngscinvestment.com). Upon successful authentication, each such member will receive an email reply by **3.00 p.m. on 29 August 2021**. The email reply will contain instructions to access the live webcast of the AGM proceedings. Only authenticated members are permitted to access and attend the AGM proceedings. Members who have pre-registered by the deadline of 10.00 a.m. on 27 August 2021 but have not received an email reply by 3.00 p.m. on 29 August 2021 are to contact the Company for assistance by phone (at (65) 64793866) or by email (at [jamie.koit@ngscinvestment.com](mailto:jamie.koit@ngscinvestment.com)) as soon as practicable. On the day of the AGM, before an authenticated and pre-registered member may access the live webcast and attend the AGM (by electronic means), the member's identity is required to be verified by the Company's Share Registrar. Members are encouraged to log on (to access to the live webcast of the AGM proceedings) early to avoid possible bottlenecks and potential delays. We seek your kind understanding and cooperation. Members may log on from **9.00 a.m. on Monday, 30 August 2021**.
- (iv) Members will not be allowed to ask questions during the live webcast of the AGM. Members who may have questions relating to each resolution to be tabled for approval at the AGM are to submit their questions by email, together with their full name (as per CDP/CPF/SRS/Script-based records), identification number (e.g. NRIC/Passport Number/FIN), shareholding type(s) (e.g. CDP/CPF/SRS/Script-based), email address, and contact number (to enable the Company and/or its agents and service providers to authenticate their status as members) to the Company by **10.00 a.m. on 27 August 2021** (that is not less than 72 hours before the time fixed for holding the forthcoming AGM) to [jamie.koit@ngscinvestment.com](mailto: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.
- (v) CPF and SRS investors including persons who hold shares through relevant intermediaries (as defined in section 181 of the Companies Act, Cap. 50) who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks, SRS Operators or relevant intermediaries to submit their votes and/or questions relating to each resolution to be tabled for approval at the AGM, by **5.00 p.m. on 19 August 2021**. As a recap, only the chairman of the forthcoming AGM may be appointed as proxy.
- (vi) If the member is a corporation, the instrument appointing the proxy must be under seal or the hand of an officer or attorney duly authorised.

# NOTICE OF ANNUAL GENERAL MEETING

- (vii) The instrument appointing a proxy must either be deposited at the office of the Company's Share Registrar (i.e. B.A.C.S. Private Limited), at 8 Robinson Road, #03-00 ASO Building, Singapore 048544, or submitted to the Company by email to [jamie.koit@ngscinvestment.com](mailto:jamie.koit@ngscinvestment.com), by **10.00 a.m. on 28 August 2021** (that is, not less than 48 hours before the time appointed for holding the above AGM). Members are strongly encouraged to submit the completed and signed PDF copies of their proxy forms to the Company via email.
- (viii) A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time fixed for holding the forthcoming AGM in order for the Depositor to be entitled to access the live webcast and attend and vote via proxy at the forthcoming AGM.
- (ix) The Company will publish the minutes of the AGM via the SGXNet platform and the Company's website within one month after the date of AGM.
- (x) As the COVID-19 situation continues to evolve, members are advised to read the Government of Singapore's "COVID-19: Advisories for Various Sectors" (<https://www.gov.sg/article/covid-19-sector-specific-advisories>) including the health advisories issued by the Ministry of Health ("MOH"). The Company will monitor the situation and reserves the right to take further measures as appropriate in order to comply with the various government and regulatory advisories. Any changes to the manner of conduct of the forthcoming AGM will be announced by the Company on the SGXNet platform.

Summary of key dates and times Dates and times

<b>(Deadlines/Opening Time)</b>	<b>Actions</b>
<b>By Thursday, 19 August 2021, 5.00 p.m.</b>	For CPF and SRS investors including persons who hold shares through relevant intermediaries (as defined in section 181 of the Companies Act, Cap. 50) who wish to appoint the Chairman of the AGM as proxy to approach their respective CPF Agent Bank, SRS Operators or relevant intermediaries to submit their votes and/or questions relating to each resolution to be tabled for approval at the AGM.
<b>By Friday, 27 August 2021, 10.00 a.m.</b>	For Members: (a) who have questions relating to the business of the AGM to email their questions to <a href="mailto:jamie.koit@ngscinvestment.com">jamie.koit@ngscinvestment.com</a> . (b) submit the necessary information required for authentication by email to <a href="mailto:jamie.koit@ngscinvestment.com">jamie.koit@ngscinvestment.com</a> should they wish to access the live webcast and attend the AGM.
<b>By Saturday, 28 August 2021, 10.00 a.m.</b>	For Members to deposit/email the completed and signed proxy forms either to (i) the Company's Share Registrar at 8 Robinson Road, #03-00 ASO Building, Singapore 048544, or (ii) to the Company to <a href="mailto:jamie.koit@ngscinvestment.com">jamie.koit@ngscinvestment.com</a> .  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 <a href="mailto:jamie.koit@ngscinvestment.com">jamie.koit@ngscinvestment.com</a> .



# NOTICE OF ANNUAL GENERAL MEETING

(Deadlines/Opening Time)	Actions
<b>By Sunday, 29 August 2021, 3.00 p.m.</b>	For members who have been successfully authenticated to receive an email reply with instructions to access the live webcast of the AGM (" <b>Confirmation Email</b> "); and for members who have pre-registered but have not received any Confirmation Email by this time to contact the Company for assistance by phone (at (65) 64793866) or by email (at jamie.koit@ngscinvestment.com) as soon as practicable.
<b>Monday, 30 August 2021, 9.00 a.m.</b>	When pre-registered members may log on for the Share Registrar to verify their identity and access to the live webcast to the AGM.

## **Personal data privacy:**

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

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# NGSC LIMITED

(Company Registration Number 196400100R)  
(Incorporated in the Republic of Singapore)

# PROXY FORM

## ANNUAL GENERAL MEETING

**Important:**

- The AGM is convened and is to be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 and as amended by COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) (Amendment No.2) Order 2020 and the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) (Amendment No.3) Order 2020.
- The Notice of the AGM and this proxy form are published on and can be downloaded from the SGX website (<https://www.sgx.com/securities/meeting-schedules>). Printed copies of the Notice of the AGM and this proxy form will not be mailed to members (i.e. shareholders).
- Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via live webcast (comprising both video (audio-visual) and audio-only feeds)), submission of questions to the Chairman of the AGM in advance of the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the Notice of the AGM.
- In view of the COVID-19 restrictions imposed by the Government of Singapore, members will not be able to attend the AGM in person. A member (whether individual or corporate) who wishes to exercise his/her/its voting rights at the forthcoming AGM must appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM.** A member should specifically indicate how the member wishes to vote for or vote against (or abstain from voting on) the resolutions.
- CPF/SRS investors including persons who hold shares through relevant intermediaries (as defined in section 181 of the Companies Act, Cap. 50) who wish to appoint the Chairman of the AGM as proxy, should approach their respective Agent Banks/SRS Operators or relevant intermediaries to submit their votes by 5.00 p.m. on 19 August 2021.
- By submitting an instrument appointing the Chairman of the AGM as proxy, a member is deemed to have accepted and agreed to the personal data privacy terms set out in the Notice of the AGM dated 15 August 2021.
- Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the AGM as a member's proxy to vote on his/her/its behalf at the AGM.**

I/We\*, \_\_\_\_\_ (Name) NRIC/Passport/Company Registration\* No.

\_\_\_\_\_ of \_\_\_\_\_

\_\_\_\_\_ (Address)

NGSC LIMITED (the "**Company**") hereby appoint the Chairman of the Annual General Meeting ("**AGM**") of the Company as my/our\* proxy to vote for me/us\* on my/our\* behalf at the AGM of the Company to be held by electronic means on Monday, 30 August 2021 at 10.00 a.m. and at any adjournment thereof.

I/We\* direct the Chairman of the AGM to vote for or against or abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as your proxy for that resolution(s) will be treated as invalid.**

All resolutions put to the vote at the AGM shall be decided by way of poll.

No.	Resolutions relating to:	Number of Votes For**	Number of Votes Against**	Number of Votes Abstain**
	<b>Ordinary Business</b>			
1.	Directors' Statement and Audited Financial Statements for the financial year ended 31 March 2021			
2.	Re-election of Dr Michael Kuan-Chi Sun as a Director			
3.	Re-election of Mr Lee Chia Sin as a Director			
4.	Re-election of Mr Mahtani Bhagwandas as a Director			
5.	Approval of Directors' fees amounting to S\$253,424.66			
	<b>Special Business</b>			
6.	Authority to allot and issue new shares in the Company and make/grant/offer Instruments			

\* Delete accordingly

\*\* If you wish to exercise all your votes "For" or "Against" or "Abstain", please indicate with a tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2021

Total Number of Shares in:	Number of Shares
(a) CDP Register	
(b) Register of Members	

\_\_\_\_\_  
Signature(s) of Shareholder(s)  
or Common Seal of Corporate Shareholder

**IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS FORM**



## Notes :

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of Securities and Futures Act (Chapter 289) of Singapore or any statutory modification thereof, as the case may be), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
2. In view of the COVID-19 restrictions imposed by the Government of Singapore, members will not be able to attend the AGM in person. A member (whether individual or corporate) who wishes to exercise his/her/its voting rights at the forthcoming AGM must appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM. This proxy form is made available on the SGX website (<https://www.sgx.com/securities/meeting-schedules>). Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting (for or against), or abstention from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.
3. CPF/SRS investors including persons who hold shares through relevant intermediaries (as defined in section 181 of the Companies Act, Cap. 50) who wish to appoint the Chairman of the AGM as proxy should approach their respective Agent Banks/SRS Operators or relevant intermediaries to submit their votes by 5.00 p.m. on 19 August 2021.
4. The Chairman of the AGM, as proxy, need not be a member of the Company.
5. A member who wishes to submit an instrument of proxy appointing the Chairman of the AGM as proxy must download, complete, sign and submit the proxy form, either by:
  - (i) depositing the signed proxy form at the office of the Company's Share Registrar, 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 [jamie.koit@ngscinvestment.com](mailto:jamie.koit@ngscinvestment.com); andin either case, by **10.00 a.m. on 28 August 2021** (that is, not less than 48 hours before the time appointed for the AGM). **Members are strongly encouraged to submit their completed and signed PDF copies of their proxy forms to the Company via email (at [jamie.koit@ngscinvestment.com](mailto:jamie.koit@ngscinvestment.com)).**
6. The instrument appointing the Chairman of the AGM as proxy must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing the Chairman of the AGM as proxy is executed by a corporation, it must be executed either under its Common Seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing the Chairman of the AGM as proxy is signed on behalf of the appointor or by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) either be:
  - (i) lodged/deposited with the instrument of proxy (if submitted by post); or
  - (ii) scanned and submitted electronically with the instrument of proxy (if submitted via email),failing which the instrument may be treated as invalid.
8. The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy. In addition, in the case of a member whose shares are entered against his/her/its name in the Depository Register, the Company may reject any instrument of proxy lodged if such member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.
9. Any alteration made in this instrument appointing the Chairman of the AGM as proxy, must be initialled by the member/person who signs it.

## Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member is deemed to have accepted and agreed to the personal data privacy terms set out in the Notice of the AGM dated 15 August 2021.





(Company Registration Number 196400100R)

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