NGSC LIMITED

ANNUAL REPORT 2019

CONTENTS

LETTER TO SHAREHOLDERS

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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 2019 ("FY2019").

FINANCIAL REVIEW

During the financial year in review, the Group recorded a share of profit of S$0.9 million from its joint venture, as compared to the share of profit of S$0.2 million for the financial year ended 31 March 2018 ("FY2018"). The positive results is driven by the higher demand for the equipment and services supplied by the Group's joint venture in the People's Republic of China.

The Group for FY2019 also recognised a foreign exchange gain of S$0.6 million compared to a foreign exchange loss of S$0.3 million for FY2018. This was mainly due to the Group's exposure on its foreign currency assets against the Singapore dollar.

Other income of S$2.4 million was lower in FY2019, compared to S$4.2 million in FY2018, because there was a reversal of deferred expenditure of S$4.0 million in FY2018. In FY2019, due to the positive results of the joint venture in FY2019, the Group has reversed an impairment loss previously made, amounting to S$2.0 million. Other expenses of S$1.2 million was also lower in FY2019, as compared to S$1.9 million in FY2018, because of the lower provision of doubtful debts made on the Groups other receivables.

Administrative expenses of S$1.6 million in FY2019 is consistent compared to S$1.5 million in FY2018. Taking the above into account, the Group recorded a net profit of S$1.1 million for FY2019 as compared to a net profit of S$1.4 million in FY2018.

OUTLOOK

The Group noted that the operating environment would be challenging going forward. The Group will work and devote its resources to seek new business opportunities. The Group will remain vigilant on cost, credit and cash management in response to the volatile operating environment as it carries out its expansion strategies.

ACKNOWLEDGEMENTS

For the past few years, the Group has faced numerous challenges and we are doing our utmost to handle 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, suppliers and business associates, I would like to express my sincere appreciation for their continuing support. Finally, I would like to specially thank our shareholders for the continued support and belief in NGSC despite the challenging business environment.

Thank you.

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. 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 an 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.

FU SHU SHEEN EDWARD
Lead Independent Director

Mr Fu Shu Sheen Edward was appointed to the Board in October 2014. He is the Associate Sales Director of KF Property Network Pte Ltd (Knight Frank) and possesses more than 30 years of experience in credit, corporate banking, debt restructuring and recovery, loan syndications and private banking with domestic and foreign banks. Mr Fu previously served as Vice President at Societe Generale and has also held senior appointments with leading financial institutions such as Crosby Advisory (Singapore) Pte Ltd., Hill Samuel Merchant Bank Asia Ltd. and Australia & New Zealand Banking Group Ltd.

He was an Independent Director of GSH Corporation Limited from 2007 to 2012 and Director of John Edward Consultancy Pte Ltd from 1999 to 2013.

Mr Fu holds a BA in Economics and Political Science from University of Singapore.

NG HSIAN PIN
Independent Director

Mr Ng Hsian Pin possesses over 15 years of experience in various accounting and finance roles, and is currently the Financial Controller of Hong Kong-based Gold East Paper Trading (HK) Co. Ltd. He was previously the Chief Financial Officer Designate of Singapore-listed Sinwa Ltd., and prior to that, the Financial Controller of Sinar Mas Paper (China) Co. Ltd.

He was first appointed to the Board as Independent Director in July 2016. Mr Ng holds a Bachelor of Business Administration from the National University of Singapore and is a Chartered Accountant of Singapore.

BOARD OF DIRECTORS

SRI TJINTAWATI HARTANTO
Non-Executive Non-Independent Director

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

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

LYE MENG YIAU
Non-Executive Non-Independent Director

Mr Lye Meng Yiau is into development of investment strategies. Mr Lye was appointed to the Board in August 2014. Prior to his appointment, he was Vice President at OWW Capital Partners Pte. Ltd. and was responsible for venture investments. He accumulated more than 10 years of experience in logistics and investments within the Heidelbergcement Group, where his last-held position was Manager for Strategy and Business Development (M&A) in Asia. Mr Lye has worked on investment projects in technology, infrastructure and utilities.

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

KEY MANAGEMENT

KOIT VEN JEE
Financial Controller

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

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

Mr Koit is also currently a Non-Executive Independent Director and Audit Committee Chairman of another SGX listed company, China Environment Ltd. Mr Koit has obtained his professional accountancy qualification from the Association of Chartered Certified Accountants (ACCA) and is a member of the Institute of Singapore Chartered Accountants.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dr Michael Kuan-Chi Sun
(Executive Director)

Mr Fu Shu Sheen Edward
(Lead Independent Director)

Mr Ng Hsian Pin
(Independent Director)

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

Mr Lye Meng Yiau
(Non-Executive Non-Independent Director)

REGISTERED OFFICE

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

NOMINATING COMMITTEE

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

REMUNERATION COMMITTEE

Mr Fu Shu Sheen Edward *(Chairman)*
Mr Ng Hsian Pin
Madam Sri Tjintawati Hartanto

AUDIT COMMITTEE

Mr Ng Hsian Pin *(Chairman)*
Mr Fu Shu Sheen Edward

SHARE REGISTRARS AND WARRANT AGENT

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

AUDITORS

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

REPORT OF CORPORATE GOVERNANCE

The Board of Directors (the "**Board**" or the "**Directors**") of NGSC Limited ("**NGSC**" or the "**Company**" and together with its subsidiaries, the "**Group**") is committed to maintaining a high standard of corporate governance to ensure full transparency and to protect the interests of the Company's shareholders (the "**Shareholders**").

The Company has put in place various policies and practices that will safeguard the interests of Shareholders and enhance Shareholders' value as part of its effort to maintain high standards of corporate governance. This report describes the corporate governance practices and procedures adopted by the Company with specific reference to the Code of Corporate Governance 2012 (the "**Code**") issued by the Monetary Authority of Singapore and as required under the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). References to the principles of the Code are listed below. The Company has complied with the principles of the Code where appropriate and deviations from the Code have been explained.

A. BOARD MATTERS

The Board's Conduct of its Affairs

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and the Management remains accountable to the Board.

The Company is headed by an effective Board to lead and control the Company. As at the date of this report, the Board comprises the following members:-

Dr Michael Kuan-Chi Sun (Executive Director)
Mr Fu Shu Sheen Edward (Lead Independent Director)
Mr Ng Hsian Pin (Independent Director)
Mdm Sri Tjintawati Hartanto (Non-Executive Non-Independent Director)
Mr Lye Meng Yiau (Non-Executive Non-Independent Director)

The Board has overall responsibility for overseeing and providing effective leadership for the overall business and corporate affairs of the Group. Its role is to:-

(i) provide entrepreneurial leadership, set strategic objectives and ensure that the necessary financial and human resources are in place for the Group to meet its objectives;

(ii) establish a framework of prudent and effective controls which enables risk to be assessed and managed, including safeguarding of Shareholders' interests and the Group's assets;

(iii) review performance of the management of the Company ("**Management**");

(iv) identify the key stakeholder groups and recognise that their perceptions affect the Group's reputation;

(v) set the company's values and standards (including ethical standards), and ensure that obligations to Shareholders and other stakeholders are understood and met; and

(vi) consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation.

REPORT OF CORPORATE GOVERNANCE

The Company has adopted a set of internal guidelines setting forth matters that require the Board's review and approval. Matters which specifically require the Board's decision or approval are those involving:-

- corporate strategy and business plans;
- investment and divestment proposals;
- funding decisions of the Group;
- nominations of Directors for appointment to the Board and appointment of key executives;
- announcement of financial results and annual report;
- material acquisitions and disposal of assets; and
- all matters of strategic importance.

All other matters are delegated to Board committees ("**Board Committees**") whose actions are monitored and endorsed by the Board. These Board Committees include the Audit Committee (the "**AC**"), the Nominating Committee (the "**NC**") and the Remuneration Committee (the "**RC**"), all of which operate within clearly defined terms of reference and functional procedures assigned by the board.

To get a better understanding of the Group's business, the Company adopts a policy whereby the Directors are encouraged to reach consensus through conferring and consulting regularly and freely.

Anyone can request for further explanations, briefings or informal discussion on the Group's operations or business with the Management.

The Board conducts scheduled meetings on a quarterly basis. Consultations and Ad-hoc meetings are convened when circumstances require. The Company's Constitution (the "**Constitution**") provide for Board meetings by means of teleconference. The attendance of the Directors at meetings of the Board and Board Committees during the financial year ended 31 March ("**FY**") 2019 are disclosed 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
Mr Andrew Coulton(1)	4	4	-	-	-	-	-	-
Mr Ku Vicente S. (2)	4	4	-	-	-	-	-	-
Dr Michael Kuan-Chi Sun	4	3	-	-	-	-	-	-
Mr Lye Meng Yiau	4	3	-	-	-	-	-	-
Mdm Sri Tjintawati Hartanto	4	3	-	-	-	-	-	-
Mr Lai Chik Fan(3)	4	4	-	-	1	1	1	-
Mr Fu Shu Sheen Edward	4	4	4	4	1	1	1	1
Mr Li Man Wai(4)	4	4	4	4	1	1	-	-
Mr Ng Hsian Pin	4	4	4	4	-	-	1	1
Mdm Cheung Kam Wa(5)	4	3	-	-	1	1	1	1

(1) Resigned on 30 May 2019
(2) Resigned on 30 May 2019
(3) Resigned on 30 May 2019
(4) Resigned on 31 May 2019
(5) Resigned on 4 April 2019

Newly-appointed Directors undergo an orientation program with materials provided to help them get familiarised with the business and organisation structure of the Group. To get a better understanding of the Group's business, the Directors are also given the opportunity to visit the Group's operational facilities and meet with the Management. Upon appointment of each director, the Company provides information to the director, setting out the director's roles and obligations together with key data regarding the Company and the Group.

The Board as a whole is updated regularly on risk management, corporate governance, insider trading and the key changes in the relevant regulatory requirements and financial reporting standards, so as to enable them to properly discharge their duties as Board or Board Committee members. The Company encourages Directors to attend training courses organised by the Singapore Institute of Directors or other training institutions in connection with their duties.

During FY2019, the external auditor briefed the AC members on developments in accounting and governance standards. The Executive Directors also updated the Board at each Board meeting on business and strategic developments relating to the industry the Group operates in.

Board Composition and Guidance

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% Shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board currently has five (5) Directors, comprising two (2) Independent Directors, two (2) Non-Executive Directors and one (1) Executive Director. Information regarding each Board member is provided under the section entitled "Board of Directors" of this annual report.

The independence of each Director is assessed and reviewed at least annually by the NC. The NC adopts the definition in the Code as to what constitutes an independent director in its review to ensure there is a strong independent element on the Board such that the Board is able to exercise objective judgement on corporate affairs independently. The Independent Directors have confirmed that they do not have any relationship with the Company or its related companies, its 10% Shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgement with a view to the best interests of the Group.

The NC is of the view that Mr Fu Shu Sheen Edward and Mr Ng Hsian Pin are independent.

Guideline 2.2 of the Code provides that Independent Directors should make up at least half of the Board in the situation where the Chairman is not an independent Director. Mr Andrew Coulton, who was the Non-Executive Non-Independent Chairman of the Board, resigned as Director of the Company on 30 May 2019 and as on date the Company is in the midst of appointing the Chairman of the Board. The Company's current Board composition does not meet this requirement. The Board is of the view that with two Independent Directors, representing more than one-third of the Board, and with each of the three Board Committees being chaired by an Independent Director, there is sufficiently strong independent element on the Board that upholds good corporate governance and facilitate the exercise of independent and objective judgement on the Board.

In addition, the Board has appointed Mr Fu Shu Sheen Edward as the Lead Independent Director. 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.

REPORT OF CORPORATE GOVERNANCE

The Non-Executive Directors are involved in sharing industrial experience and expertise and ensuring that the strategies proposed by Management are constructively challenged, fully discussed and examined and takes into account the long term interests, not only of the Shareholders but also other stakeholders of the Group. The Non-Executive Directors also review the Management's performance in achieving agreed goals and objectives, and monitor the reporting of its performance.

The Board and Board Committees comprises Directors who as a group provide core competencies such as accounting and finance, legal, business and management experience, industry knowledge and strategic planning experience. Hence, the NC is of the view that the current Board and Board Committees comprise persons who as a group provide capabilities required for the Board to be effective.

The Board, through the NC, has reviewed and is satisfied that the current structure, size and composition of the Board and Board Committees are appropriate for effective decision-making, taking into account the scope and nature of the operations of the Company, the balance and diversity of, amongst other factors, skills, experience and gender. The NC is of the view that no individual or small group of individuals dominates the Board's decision-making process without the support of other board members.

Role of Chairman and Chief Executive Officer

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

Mr Andrew Coulton, who was the Non-Executive Non-Independent Chairman of the Board, resigned as Director of the Company on 30 May 2019 and as on date the Company is in the midst of appointing the Chairman of the Board. Mr Ku Vicente S., who was the Managing Director and Chief Executive Officer of the Company, resigned as Director of the Company on 30 May 2019 and as on date the Company is in the midst of appointing the Chief Executive Officer of the Company.

In general, the Company keeps the roles of the Chairman and Chief Executive Officer separate to ensure a clear division of their responsibilities, balance of power and authority, increased accountability and greater capacity for independent decision-making at the Board and Management level.

In general, the Chairman is primarily responsible for charting and reviewing the overall strategic direction of the Group and for leading the Board to ensure its effectiveness on all aspects of its role. He ensures that Board meetings are held when necessary and sets the Board agenda. He ensures that all Board members are provided with complete, adequate and timely information.

All major proposals and decisions are discussed and reviewed by the Directors. With the active participation of Directors at Board meetings, the Board is satisfied that the current arrangement provides sufficient check and balance to ensure that no one individual member of the Board holds a considerable concentration of power, and that there is an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making.

In general, the Board delegates the daily operations of the Group to the Chief Executive Officer. The Chief Executive Officer leads the management team and executes the strategic plans in line with the strategic decisions and goals set out by the Board and ensures that the Directors are kept updated and informed of the Group's businesses.

Mr Fu Shu Sheen Edward is the Lead Independent Director of the Company, who is available to address Shareholders' concerns on issues that have not been satisfactorily resolved or cannot be appropriately dealt with by the Chairman, Chief Executive Officer, Executive Director. The Independent Directors meet on a need-to basis amongst themselves and with the Company's external auditors without the presence of Management to discuss matters such as, the Group's financial performance, corporate governance and risk management initiatives, Board processes, and any internal audit observations. Thereafter, the Lead Independent Director would provide feedback to the Chairman after such meetings, if needed.

Board Membership

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

The NC currently comprises three (3) Directors, namely Mr Ng Hsian Pin, Mr Fu Shu Sheen Edward and Mr Lye Meng Yiau, majority of whom are Independent Directors. The Chairman of the NC is Mr Ng Hsian Pin. The NC has written terms of reference that describe the responsibilities of its members.

The principal functions of the NC are as follows:-

- to review and recommend the nomination of new Directors or re-nomination of the Directors having regard to the Director's contribution and performance;
- to set criteria for identifying candidates and reviewing nominations for the appointments referred to above;
- to determine on an annual basis whether or not a Director is independent;
- to make plans for succession, in particular for the Chairman and Chief Executive Officer;
- to review training and professional development programs for the Board;
- to determine and recommend to the Board, the maximum number of listed company board representations that any Director may hold; and
- to assess the overall performance of the Board and contribution of each Director to the effectiveness of the Board.

In the nomination and selection process, the NC identifies the candidates and reviews the nominations for the appointments based on the following criteria:-

(i) at least half of the Directors shall be Independent Directors; and

(ii) the candidate shall be a fit and proper person to hold such office, and the most qualified candidate nominated for the office, taking into account the candidate's track record, age, experience, capabilities and other relevant factors.

When an existing Director chooses to retire or the need for a new Director arises, either to replace a retiring Director or to enhance the Board's strength, the NC, in consultation with the Board, determines the selection criteria and identifies candidates with the appropriate expertise and experience for the appointment as new Director. Candidates may be suggested by Directors or Management or sourced from external sources. The NC will interview the shortlisted 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/her responsibilities, good decision making track record, relevant experience and financial literacy. The NC will then nominate the most suitable candidate to the Board for approval. Upon appointment by the Board, the candidate must stand for election at the next annual general meeting ("**AGM**") of the Company.

The NC meets at least once a year. Pursuant to the Company's Constitution, one-third of the Board is to retire by rotation and subject themselves to re-election by Shareholders at every AGM. The NC will assess and evaluate whether Directors retiring at each AGM are properly qualified for reappointment by virtue of their skills, experience and contributions. The NC recommended to the Board that Dr Michael Kuan-Chi Sun and Mdm Sri Tjintawati Hartanto be nominated for re-election at the forthcoming AGM. In making the recommendations, the NC had considered the Director's overall contributions and performance.

REPORT OF CORPORATE GOVERNANCE

Dr Michael Kuan-Chi Sun will, upon re-election as a Director of the Company, remain as the Executive Director of the Company. Mdm Sri Tjintawati Hartanto will, upon re-election as a Director of the Company, remain as Non-Executive Non-Independent Director and member of the Remuneration Committee of the Company.

In accordance with Rule 720(6) of the Listing Manual, information relating to the retiring Directors who are seeking re-election, as set out in Appendix 7.4.1 of the Listing Manual, can be found under the "Additional Information on Directors seeking Re-election" section of the Annual report.

Each member of the NC has abstained from making any recommendations and/or participating in any deliberations of the NC in respect of the assessment of his/her own performance as a Director of the Company. In making the recommendations, the NC had considered the Directors' overall contributions and performance.

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	12 May 2017	-	-
Dr Michael Kuan-Chi Sun	7 March 2014	12 May 2017	-	(1) China Innovation Investment Limited (2) China Trends Holdings Limited
Mr Lye Meng Yiau	14 August 2014	29 August 2018	-	-
Mr Fu Shu Sheen Edward	2 October 2014	4 December 2017	-	-
Mr Ng Hsian Pin	12 August 2016	4 December 2017	-	-

Further details of the Directors (including their profile and principal commitments) can be found under the section entitled "Board of Directors" of this annual report.

None of the Director has directorship in other listed companies. As such, the Board does not propose to set the maximum number of listed company board representations that directors may hold until such need arises. The NC would continue to review from time to time the board representations of each Director to ensure that the Directors continue to meet the demands of the Group and are able to discharge their duties adequately.

Board Performance

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its Board Committees and the contribution by each Director to the effectiveness of the Board.

The NC decides on how the Board, Board Committees and individual Directors' performance is to be evaluated and proposes objective performance criteria, subject to the Board's approval, which address how the Directors have enhanced long-term Shareholders' value. The Board has also implemented a process to be carried out by the NC for assessing the effectiveness of the Board as a whole and Board Committees and for assessing the contribution of each individual Director to the effectiveness of the Board. Each member of the NC shall abstain from voting on any resolution in respect of the assessment of his/her performance or re-nomination as a Director.

In evaluating the Board's and its Board Committees' performance, the NC considers a set of quantitative and qualitative performance criteria that has been approved by the Board. The performance criteria for the Board and Board Committee's evaluation are in respect of:

a. Board composition;

b. Board information;

c. Board process and accountability;

d. Standards of conduct; and

e. Board Committee performance in relation to discharging their responsibilities set out in their respective terms of reference.

The individual Director's performance criterion is in relation to the Director's:

a. Interactive skills;

b. Knowledge, including industry or professional expertise, specialist or functional contribution and regional expertise;

c. Directors' duties including attendance at meetings, meeting preparation, participation and performance of specific assignments; and

d. Directors' conduct including maintenance of independence, disclosure of related party transactions and compliance with company policies.

All Directors are requested to complete a board evaluation questionnaire designed to seek their view on various aspects of the Board and individual Director's performance as described above. The Chairman, in consultation with the NC, will then act on the results of the performance evaluation, and where appropriate, propose new members be appointed to the Board or seek the resignation of Directors.

The NC has assessed the current Board's performance to-date and is of the view that the performance of the Board as a whole is satisfactory, the Board Committees operate effectively and each Director is contributing to the overall effectiveness of the Board.

Access to Information

Principle 6: In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

In order to ensure that the Board is able to fulfil its responsibilities, the Management provides the Board with complete, adequate and timely information about the Group as well as the relevant background information relating to the business prior to Board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities. To allow the Directors sufficient time to prepare for the meetings, all Board papers are distributed to the Directors in advance of the meetings. Any additional material or information requested by the Directors is promptly furnished.

REPORT OF CORPORATE GOVERNANCE

The Board papers include, among others, the following documents and details:

- Minutes of the previous meetings;
- Follow up on significant matters outstanding following the last meetings;
- Financial review: actual, budget and any other major financial issues;
- Internal audit reports prepared by the Group's internal auditors;
- Audit plans and audit findings reports prepared by the Group's external auditors;
- Annual budgets (actual vs budget); and
- Major operational and investment proposals and update.

As good practice, Board papers are sent to the Directors in advance for Directors to be adequately prepared for the meetings. To ensure that Directors are in receipt of sufficient background explanatory information, briefings or formal presentation may also be given or made by Management in attendance at Board meetings, or by external consultants engaged on specific projects. Directors are also entitled to request additional information as needed to make informed decisions and the Management shall provide the same in a timely manner.

The Directors also receive management reports on the Group's financial performance on a periodic basis, which contain adequate and timely major operational and financial information that facilitates an assessment of the Group's performance, position and prospects. The management reports consist of financial statements with disclosures and explanations of material variances between past performance, budgets and actual results.

The Directors have separate and independent access to the Management, the Group's external auditors at all times should they have any queries on the Group's affairs.

In furtherance of their duties, 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 fulfil his/her duties and responsibilities as a Director of the Company.

At least one of the Company Secretaries and/or his/her representatives attends all Board meetings. Together with the Management, the Company Secretaries are responsible for ensuring that appropriate procedures are followed and that the requirements of the Companies Act (Chapter 50) of Singapore, and the provisions in the SGX-ST Listing Manual are complied with. The appointment and removal of the Company Secretaries is a matter for the Board as a whole.

Changes to regulations and accounting standards are closely monitored by the Management. The Directors are briefed either during Board and Board Committee meetings, by the Company Secretaries or auditors of these changes especially where these changes have an important bearing on the Directors' disclosure obligations.

B. REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors. No Director should be involved in deciding his/her own remuneration.

The RC currently comprises three (3) Directors, namely Mr Fu Shu Sheen Edward, Mr Ng Hsian Pin and Mdm Sri Tjintawati Hartanto, majority of whom are Independent Directors. The Chairman of the RC is Mr Fu Shu Sheen Edward. The RC has written terms of reference that describe the responsibilities of its members.

The RC's principal responsibilities are to review and recommend to the Board a framework of remuneration, as well as the specific remuneration packages for the Directors and key management personnel of the Group. The RC covers all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits-in-kind. The RC's recommendations are submitted to the Board for endorsement. No director is involved in deciding his or her own remuneration.

The remuneration of employees who are related to Directors or substantial Shareholders will also be reviewed annually by our RC to ensure that their remuneration packages are in line with our staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. The RC will also review and approve any bonuses, pay increments, and/or promotions for these related employees.

If any Director or executive officer occupies a position for part of the financial year, the fee payable will be prorated accordingly.

Level and Mix of Remuneration

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the Directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

The remuneration of Executive Directors and key management personnel of the Group takes into consideration the performance and the contributions of the individual to the Group and gives due regard to the Group's performance, as well as the long term financial, operations and business needs of the Group. The Group seeks to offer a competitive level of remuneration to attract, motivate and retain senior management of the required competency to run the Group successfully.

The Company adopts a remuneration policy that comprises a fixed as well as variable component. The fixed component is in the form of base salary and benefits while the variable component is in the form of performance bonus. There are no termination, retirement or any post-employment benefits to Directors and key management personnel.

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. The Performance Share Scheme is administered by the RC comprising Mr Fu Shu Sheen Edward, Mr Ng Hsian Pin and Mdm Sri Tjintawati Hartanto.

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.

REPORT OF CORPORATE GOVERNANCE

The Non-Executive Directors do not have service agreements with the Company. They are paid fixed Directors' fees, which are determined by the Board, appropriate to the level of their contributions, taking into account factors such as the effort and time spent and the responsibilities of the Independent Directors. The fees are subject to approval by Shareholders at each AGM. Except as disclosed, the Non-Executive Directors do not receive any other remuneration from the Company. The Board recommended S$205,000 as Directors' fees for FY2019.

All revisions to the remuneration packages of the Directors are subject to the review by and recommendation of the RC and the approval of the Board. Directors' fees are further subject to the approval of Shareholders at the AGM. The RC has full authority to obtain any external professional advice on matters relating to remuneration as and when the need arises.

Disclosure of Remuneration

Principle 9: Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel and performance.

The level and mix of the Directors' remuneration for FY2019 in percentage terms are set out below. The remuneration of each individual Director to the nearest thousand dollars is not disclosed as the Board believes that remuneration matters are highly sensitive in nature and the disclosure may be prejudicial to its business interests given the competitive business environment the Company operates in. The RC has also reviewed the practice of the industry and considered the pros and cons of such disclosure.

Name of Director	Directors' Fees (%)	Salary (%)	Total (%)
Below S$250,000			
Mr Ku Vicente S.	-	100	100
Mr Lye Meng Yiau	100	-	100
Mdm Sri Tjintawati Hartanto	100	-	100
Dr Michael Kuan-Chi Sun	100	-	100
Mr Fu Shu Sheen Edward	100	-	100
Mr Ng Hsian Pin	100	-	100
Mdm Cheung Kam Wa	100	-	100

A summary compensation table of the executive officers' remuneration for FY2019 in percentage terms are set out below:

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

Notes:-

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

No employee of the Company and its subsidiary companies is an immediate family member of Director or the Chief Executive Officer, and whose remuneration exceeded S$50,000 during FY2019.

The Board is of the opinion that the information as disclosed above would be sufficient for Shareholders to have an adequate appreciation of the Group's compensation policies and practices and therefore does not intend to issue a separate remuneration report, the contents of which would be largely similar. The remuneration of employees related to the Directors and substantial Shareholders of the Company will also be reviewed annually by the RC. In considering the disclosure of remuneration of the Directors and key management personnel, the Company has regarded the industry conditions in which the Group operates as well as the confidential nature of such remuneration. The Company believes that full detailed disclosure of the remuneration of each Director and each key management personnel as recommended by the Code would be prejudicial to the interests of the Group and hamper its ability to retain and nurture the Group's talent pool. The Company has instead presented such information in remuneration bands.

C. ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

In presenting the annual report, interim and annual financial results announcements and other price sensitive public announcements to Shareholders, the AC reviews all financial statements and recommends them to the Board for approval. The Board also takes adequate steps to ensure compliance with legislative and regulatory requirements and observes obligations of continuing disclosure under the SGX-ST Listing Manual.

Management provides the Board with management accounts of the Group, with explanatory details on its operations, financial results and comparison against budgeted amounts, which has been assessed to be sufficient by the Board. Board papers are given prior to any Board meeting to facilitate effective discussion and decision-making. An annual budget is also tabled for the Board's endorsement for effective monitoring and control. The management also highlights key business indicators and major issues that are relevant to the Group's performance on an on-going basis in order for the Board to make a balanced and informed assessment of the Group's financial performance, position and prospects.

Risk Management and Internal Controls

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard Shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board recognises the importance of a sound system of internal controls and risk management practices.

The Group's external auditors also conduct annual reviews of the effectiveness of the Group's material internal controls for financial reporting in accordance with their external audit plans.

The AC will ensure that a review of the effectiveness of the Group's risk management policies and procedures and internal controls in addressing material risks is conducted annually. In this respect, the AC will review the audit plans and the findings of the external auditors, and will ensure that Management follows up on the external auditors' recommendations raised, if any, during the audit process.

REPORT OF CORPORATE GOVERNANCE

To further enhance the risk management procedures in place, the Group has appointed EY in March 2015 to conduct an Enterprise Risk Management ("**ERM**") exercise to identify, assess and prioritise the Group's key risk exposures for the development of a Group-wide Risk Register in which risks were reported to the AC and the Board.

Based on the existing internal controls established and maintained by the Group, work performed by the external auditors, additional policies and procedures put in place and the ERM review, reviews performed by the Management and various Board Committees, the Board, with the concurrence of the AC, is of the opinion that, the Group's risk management and internal controls systems now in place are adequate and effective in addressing its financial, operational, compliance and information technology risks.

The Board and the AC note that all internal controls contain inherent limitations and no systems 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, which is an on-going process, with a view to improve the Group's internal controls system. The Board will also look into the establishment of a separate Risk committee at the relevant time.

Based on the above, the Executive Director and the Financial Controller have given their assurance to the Board that (a) the financial records are being properly maintained, (b) the financial statements for FY2019 give a true and fair view of the Group's operations and finances; and (c) the Group's risk management and internal control systems now in place are effective.

Audit Committee

Principle 12: The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

As on date, the AC consists of two (2) Independent Directors, namely Mr Ng Hsian Pin and Mr Fu Shu Sheen Edward. The Chairman of the AC is Mr Ng Hsian Pin. Mr Li Man Wai who was the Independent Director of the Company and the member of the Audit Committee resigned on 31 May 2019. The Company is in the midst of appointing a new member of the Audit Committee. The Board is of the view that the AC has the necessary experience and expertise required to discharge its duties. At least two members of the AC, namely Mr Ng Hsian Pin and Mr Li Man Wai (who resigned on 31 May 2019) possessed the requisite accounting and related financial management expertise and experience.

The AC has adopted written terms of reference defining its membership, administration and duties. Some of the key duties and responsibilities of the AC include:-

- reviewing, with the internal and external auditors, their audit plans, scope of work, evaluation of the Group's system of internal accounting controls, audit reports, management letters on internal controls, the Management's response and any other relevant findings or matters;

- reviewing the periodic consolidated financial statements and results announcements, before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the SGX-ST Listing Manual and any other relevant statutory or regulatory requirements, concerns and issues arising from their audits including any matters which the auditors may wish to discuss in the absence of Management, where necessary, before submission to the Board for approval;

- reviewing and reporting to the Board, at least annually, the effectiveness and adequacy of the Group's risk management and internal controls systems addressing financial, operational, compliance and information technology risks and discussing issues and concerns, if any, arising from the internal audits;

- reviewing our financial risk areas with a view to providing an independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or if the findings are material, to be immediately announced via SGXNET;

- reviewing the assistance given by the Management to the internal and external auditors;

- reviewing the independence of the internal and external auditors, as well as considering the appointment or re-appointment of the internal and external auditors, including approving the remuneration and terms of engagement of the internal and external auditors;

- reviewing and discussing with the internal and external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the Management's response;

- reviewing interested person transactions (if any) falling within the scope of Chapter 9 of the SGX-ST Listing Manual;

- reviewing potential conflicts of interests (if any) and setting out a framework to resolve or mitigate any potential conflicts of interests;

- reviewing the procedures by which employees of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensuring that there are arrangements in place for independent investigation and follow-up actions thereto;

- undertaking such other reviews and projects as may be requested by the Board, and reporting to the Board its findings from time to time on matters arising and requiring the attention of the AC; and

- generally to undertake such other functions and duties as may be required by statute or the SGX-ST Listing Manual, or by such amendments as may be made thereto from time to time.

In addition to the duties listed above, the AC has the express authority to investigate any matter within its terms of reference. It is given the task to commission investigations into matters where there is suspected fraud or irregularity, or failure of internal controls or infringement of any laws, rules or regulations, which has or is likely to have a material impact on the Company's operating results or financial position, and to review the findings thereof. The AC has full access to and co-operation by Management and full discretion to invite any Director or key management personnel to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

The AC meets with the external auditors, without the presence of Management, at least annually, to discuss the results of their audit, their evaluation of the Group's system of internal controls and any other relevant matters or findings that have come to the attention of the external auditors, as well as to review the adequacy of audit arrangements, with emphasis on the scope and quality of their audit, and the independence and objectivity of the auditors.

RT LLP ("**RT**") has been re-appointed as external auditors of the Company at the annual general meeting of the Company held on 29 August 2018.

The aggregate amount of fees paid or payable to the external auditors of the Company, broken down into audit and non-audit services during FY2019 are as follows:-

Audit fees	:	S$90,000
Non-audit fees	:	nil
Total	:	S$90,000

REPORT OF CORPORATE GOVERNANCE

The AC will review the independence of the external auditors annually. Following the AC's review of the volume and nature of all non-audit services of the Group provided by the external auditors of the Company, RT, and being satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditor, the AC is of the opinion that RT is suitable for re-appointment and has accordingly recommended to the Board that RT be nominated for re-appointment as auditors of the Company at the forthcoming AGM. 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.

To keep abreast of changes in accounting standards and issues which have a direct impact on the financial statements, the AC is encouraged to participate in training courses, seminars and workshops, as relevant, and to seek advice from the external auditors at the AC meetings that are held.

None of the members nor the Chairman of the AC are former partners or directors of the firms acting as the Group's external auditors.

Whistle-blowing Policy

The AC has put in place a whistle-blowing policy, whereby employees of the Group or any other persons may in confidence, raise concerns about possible improprieties or other matters to the AC Chairman. The objective for such arrangement is to ensure independent investigations of such matters and for appropriate follow-up actions. Reports of suspected fraud, corruption, dishonest practices or other similar matters can also be lodged with the other Independent Directors of the Company. They are tasked to forward any such reports to the AC Chairman and other Independent Directors of the Company.

Internal Audit

Principle 13: The Company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The AC is aware of the need to establish a system of internal controls within the Group to safeguard Shareholders' interests and the Group's assets, and to manage risks. The system is intended to provide reasonable but not absolute assurance against material misstatements or loss, and to safeguard assets and ensure maintenance of proper accounting records, reliability of financial information, compliance with appropriate legislations, regulations and best practices, and the identification and containment of business risks.

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.

D. SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights

Principle 14: Companies should treat all Shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of Shareholders' rights, and continually review and update such governance arrangements.

The Company is committed to maintaining and improving its level of corporate transparency of financial results and other pertinent information. Other than the routine announcements made in accordance with the requirements of the SGX-ST Listing Manual, the Company has issued additional announcements to update Shareholders on the activities of the Company and the Group in FY2019.

The Company does not practise selective disclosure. Price-sensitive information is first publicly released via SGXNET before the Company meets with any group of investors or analysts. Results and annual reports are announced or issued within the mandatory period (and where this is not possible, relevant extensions of time are sought in accordance with applicable laws, regulations and rules).

Shareholders are informed of general meetings through notices published in the newspapers and the Company's announcements and press releases via SGXNET, as well as through reports or circulars sent to all Shareholders. They are given the opportunity to participate effectively and vote at general meetings of the Company, where relevant rules and procedures governing the meetings are clearly communicated.

The Constitution of the Company allow each Shareholder to appoint up to two (2) proxies to vote and attend general meetings on his behalf. 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.

Communication with Shareholders

Principle 15: Companies should actively engage their Shareholders and put in place an investor relations policy to promote regular, effective and fair communication with Shareholders.

The Company is committed to maintaining and improving its level of corporate transparency of financial results and other pertinent information. In line with the continuous disclosure obligations under the SGX-ST Listing Manual, the Company informs Shareholders on a timely basis of all major developments that may have a material impact on the Group. Such information is disclosed in an accurate and comprehensive manner through SGXNET, press releases and the Company's website.

Shareholders, investors or analysts may also send their queries or concerns to the Company's Management, whose contact details can be found on the corporate information page of this annual report. The Company will consider use of other forums as and when applicable.

The Company does not have a formal dividend policy at present. The form, frequency and amount of dividends on the Company's Shares will depend on the Group's earnings, financial position, results of operations, cash flow, capital needs, the terms of any borrowing arrangements (if applicable), plans for expansion and other factors which the Directors may deem appropriate. The Board has not recommended any dividend for FY2019.

REPORT OF CORPORATE GOVERNANCE

Conduct of Shareholder Meetings

Principle 16: Companies should encourage greater Shareholder participation at general meetings of Shareholders, and allow Shareholders the opportunity to communicate their views on various matters affecting the Company.

The AGM of the Company is a principal forum for dialogue and interaction with all Shareholders. Shareholders are encouraged to attend, participate and vote at the Company's AGM to ensure a high level of accountability on the part of the Board and Management, and to stay informed of the Group's performance, strategies and growth plans. All Shareholders will receive the Company's annual report and notice of AGM, together with explanatory notes, or a circular on items of special businesses (if necessary), at least 14 clear calendar days before the meeting. The Company supports active Shareholder participation at the AGM and welcomes questions from Shareholders who wish to raise issues pertaining to the Group, within the setting of the general meetings.

Each item of special business included in the notice of AGM will be accompanied by explanatory notes as may be required. Separate resolutions are proposed for approval on each substantially separate issue at general meetings. The Company will put all resolutions to vote by poll and make an announcement of the detailed results showing the number of votes cast for and against each resolution and the respective percentages.

The Chairman of the Board and the respective Chairmen of the AC, RC and NC, as well as the Financial Controller and the external auditors will be present and on hand to address all issues raised at the AGM.

Dealing in Securities

The Company has complied with the requirements of Rule 1207(19) of the SGX-ST Listing Manual in relation to dealings in the Company's securities by Directors and officers of the Group.

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, its Directors and officers are not allowed to deal in the Company's shares during the period commencing two weeks before the announcement of the Company's financial results for each of the quarters and one month before the announcement of the Company's full-year financial results, as the case may be, and ending on the date of the announcement of the relevant financial results. They are also expected to observe insider-trading laws at all times even when dealing in securities within permitted trading periods.

Interested Person Transactions

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

All interested person transactions will be documented and submitted periodically to the AC for their review to ensure that such transactions are carried out on an arm's length basis or on normal commercial terms and are not prejudicial to the Group.

There were no transactions with interested persons during the financial year ended 31 March 2019 that exceeded the stipulated thresholds as specified in Chapter 9 of the Listing Manual of the SGX-ST.

Material Contracts and Loans

Pursuant to Rule 1207(8) of the SGX-ST Listing Manual, the Company confirms that save for the agreements as disclosed in the financial statements, there were no other material contracts and loans of the Company and its subsidiaries involving the interests of any Director or controlling Shareholder of the Company, either still subsisting at the end of FY2019 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 and Mdm Sri Tjintawati Hartanto are the retiring Directors who are seeking re-election at the forthcoming annual general meeting ("**AGM**") of the Company to be convened on 29 July 2019 (collectively, the "**Retiring Directors**" and each a "**Retiring Director**") under Ordinary Resolutions 4 and 5 as set out in the Notice of AGM dated 12 July 2019.

Pursuant to Rule 720(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the information relating to the Retiring Directors, in accordance to Appendix 7.4.1 of the SGX-ST Listing Manual, is set out below:

	Dr Michael Kuan-Chi Sun	**Sri Tjintawati Hartanto**
Date of appointment	7 March 2014	15 January 2009
Date of last re-appointment (if applicable)	Not Applicable	Not Applicable
Age	70	57
Country of principal residence	United States	Hong Kong
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Upon the recommendation of the Nominating Committee, which had reviewed the credentials, qualification, knowledge, contributions and experience of Dr Michael Kuan-Chi Sun, the Board of Directors approved his re-election as Executive Director of the Company.	Upon the recommendation of the Nominating Committee, which had reviewed the credentials, qualification, knowledge, contributions and experience of Mdm Sri Tjintawati Hartanto, the Board of Directors approved her re-election as Non-Executive Non-Independent Director and member of Remuneration Committee 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	Non-Executive
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director	Non-Executive Non-Independent Director and member of the Remuneration Committee
Working experience and occupation(s) during the past 10 years	2010 to date – Chief Executive Officer of HughesNet China 1984 to 2010 – Vice President of Hughes Network Systems 2014 to date – Director, NGSC Limited	2007 to date – Account Manager, Super Electric Motor Ltd 2009 to date – Director, NGSC Limited
Shareholding interest in the listed issuer and its subsidiaries	Direct Interest – 9,000,000 ordinary shares of NGSC Limited	Direct Interest – 2,203,000 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	Mdm Sri Tjintawati Hartanto is the sister of Mr Hady Hartanto, Controlling Shareholder of NGSC Limited

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

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

	Dr Michael Kuan-Chi Sun	**Sri Tjintawati Hartanto**
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other principal commitments including directorships	Past (for the last 5 years) Directorships: China Innovation Investment Limited, China Trends Holdings Limited Other Principal Commitments: Nil Present Directorships: Nil Other Principal Commitments: Nil	Past (for the last 5 years) Directorships: Nil Other Principal Commitments: Nil Present Directorships: Super International Enterprise Ltd. Other Principal Commitments: Nil
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		
(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	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	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

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

		Dr Michael Kuan-Chi Sun	Sri Tjintawati Hartanto
(c)	Whether there is any unsatisfied judgment against him?	No	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	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	No
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	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	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

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

		Dr Michael Kuan-Chi Sun	Sri Tjintawati Hartanto
(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	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	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 (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 (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 (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	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

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

		Dr Michael Kuan-Chi Sun	Sri Tjintawati Hartanto
(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	Yes On 25 July 2012, Ernst & Young Advisory Pte. Ltd. was appointed by the Audit Committee of NGSC Limited to investigate into certain significant questionable transactions and cash transfers. Please refer to the announcement of NGSC Limited on 31 October 2014.

DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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 2019.

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 2019 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-independent non-executive directors
Lye Meng Yiau
Sri Tjintawati Hartanto

Independent non-executive directors
Fu Shu Sheen Edward (Lead Independent director)
Ng Hsian Pin

3 Arrangements to enable Directors to acquire shares and debentures

Except as disclosed under "Performance shares and share options" on pages 27 and 28 of this statement, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

4 Directors' interests in shares and debentures

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

	Shareholdings registered in name of director or nominee			Shareholdings in which director is deemed to have an interest		
	At 1 April 2018 or date of appointment	At 31 March 2019	At 21 April 2019	At 1 April 2018 or date of appointment	At 31 March 2019	At 21 April 2019
Company						
Ordinary shares						
Sri Tjintawati Hartanto	2,203,000	2,203,000	2,203,000	-	-	-
Lye Meng Yiau	5,000,000	5,000,000	5,000,000	-	-	-
Ku Vicente S.	2,000,000	2,000,000	2,000,000	-	-	-
Dr Michael Kuan-Chi Sun	9,000,000	9,000,000	9,000,000	-	-	-
Andrew Coulton	9,000,000	9,000,000	9,000,000	-	-	-
Fu Shu Sheen Edward	4,400,000	4,400,000	4,400,000	-	-	-

5 Performance shares and share options

(i) Performance shares

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

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

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

The PSS is administered by the Remuneration Committee currently comprising Fu Shu Sheen Edward (Chairman of Remuneration Committee), Ng Hsian Pin, and Sri Tjintawati Hartanto.

5 Performance shares and share options (cont'd)

(i) Performance shares (cont'd)

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

	Aggregate number of performance shares granted during the financial year ended 31 March 2019	Aggregate number of performance shares granted since the commencement of the PSS to the end of the financial year ended 31 March 2019	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 2019	Aggregate number of performance shares outstanding as at the end of the financial year ended 31 March 2019
Director				
Sri Tjintawati Hartanto	-	2,203,000	2,203,000	-
Lye Meng Yiau	-	5,000,000	5,000,000	-
Ku Vicente S.	-	2,000,000	2,000,000	-
Dr Michael Kuan-Chi Sun	-	9,000,000	9,000,000	-
Andrew Coulton	-	9,000,000	9,000,000	-
Lai Chik Fan	-	9,000,000	9,000,000	-
Fu Shu Sheen Edward	-	4,400,000	4,400,000	-

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

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

(ii) Share options

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

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

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

6 Audit committee

The Audit Committee comprises three Independent Directors, namely:

Mr Ng Hsian Pin (Chairman)
Mr Fu Shu Sheen Edward
Mr Li Man Wai (Resigned on 31 May 2019)

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 2019 prior to their submission to the Board, as well as the independent auditor's report on the statement of financial position and the statement of changes in equity of the Company and the consolidated financial statements of the Group; and

- interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited).

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

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

7 Independent auditor

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

On behalf of the Board of Directors

Dr Michael Kuan-Chi Sun
Director

Fu Shu Sheen Edward
Director

Singapore, 5 July 2019

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NGSC LIMITED
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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 2019, 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 2019, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

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

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

Key Audit Matters

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

Key audit matters	How the matter was addressed in the audit
1. Impairment assessment of investment in joint ventures and a subsidiary	
During the financial year, the Group made a reversal of impairment loss of approximately \$2.05 million on its investment in joint ventures and the Company made a reversal of impairment loss of \$2.8 million on its investment in one of its subsidiaries. Following these reversal of impairment losses, the Group and Company's investment in joint ventures and subsidiaries amounted to \$2.8 million and \$26.88 million respectively, which represent approximately 14% and 61% of the Group's and Company's total assets respectively. These were significant balances during the year. Impairment assessment of joint ventures and subsidiaries are performed when an indication of impairment exists. Reversal of impairment is recognised when the recoverable amount of the joint ventures and subsidiaries exceeds its respective carrying amount. The recoverable amount is defined as the higher of an asset's or cash generating unit's fair value ("FV") less costs of disposal and its value in use ("VIU"). Management has used the independent valuer's FV less costs of disposal, (which is higher than its VIU) as its recoverable amount. The significant assumptions and estimates, including the basis, used for the assessment of the recoverable amount of investment in joint ventures and subsidiary are disclosed in Note 3.2(a), 11 and 12.	Our audit focused on evaluating the key assumptions used by both management and management's expert (i.e independent valuer) in conducting the impairment review based on VIU and FV less costs of disposal. Our audit procedures included but were not limited to the following: 1) Tested management's assumptions used in VIU to calculate the recoverable amount and assessed the accuracy of the historical data used by management as the basis of arriving at the estimated discounted future cash flows ("DCF"); 2) Reviewed the engagement terms entered into with the independent valuer to ascertain if there were any matters that may have affected the valuer's objectivity or placed limitations in the scope of their work; 3) Evaluated the qualifications and competence of the independent valuer; 4) Considered the valuation methodologies adopted; 5) Tested the integrity of inputs of the projected cash flows used in the valuation; 6) Challenged the cash flow forecasts used with comparison to recent information, historical trend analysis; and 7) For key inputs used for the DCF such as discount rate and weighted costs of capital, ensured the valuer has taken into consideration the general market outlook for the relevant industry, including comparing against comparable listed companies.

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

Key Audit Matters (cont'd)

Key audit matters	How the matter was addressed in the audit
2. Lodgment 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. The Board is of the view that the outcome of the CAD's investigation would not have material impact on the financial statements. Accordingly, we have identified this as a key audit matter. The details of the Board's critical judgement are as detailed in Note 3.1(d).	Our audit procedures included but were not limited to the following: 1) Inquired with the Board on the status of the legal advice from PLA LLC; 2) Discussed with the Audit Committee and the Board on their views with respect to any material financial impacts on the financial statements; 3) Sent circularization letter to PLA LLC to inquire on the status of their legal advice, and 4) Obtained confirmation from PLA LLC on 27 June 2019 and was informed of the following: ● PLA LLC has been appointed by the Company to provide legal advice in relation to the investigation; and ● PLA LLC is not aware of any current litigation in which the Company is presently a party to.

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

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

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

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

RT LLP
Public Accountants and
Chartered Accountants

Singapore, 5 July 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	2019 $'000	2018 $'000 (Revised) [Note 30]
Revenue	4	**-**	-
Other income	5	**2,435**	4,238
Administrative expenses		**(1,615)**	(1,538)
Other expenses		**(1,162)**	(1,920)
Share of profit of joint ventures	11	**880**	231
Profit before income tax	6	**538**	1,011
Income tax credit	8	**-**	723
Profit for the financial year		**538**	1,734
Other comprehensive income/(loss):			
Items that may be reclassified subsequently to profit or loss:			
- Currency translation differences arising on consolidation		**587**	(328)
Other comprehensive income/(loss) for the financial year, net of tax		**587**	(328)
Total comprehensive income		**1,125**	1,406
Income attributable to:			
Equity holders of the Company		**588**	1,753
Non-controlling interests		**(50)**	(19)
		538	1,734
Total comprehensive income attributable to:			
Equity holders of the Company		**1,175**	1,425
Non-controlling interests		**(50)**	(19)
		1,125	1,406
Earnings per share for profit attributable to equity holders of the Company (cents per share)			
- Basic	9	**0.0092**	0.0273
- Diluted	9	**0.0092**	0.0273

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

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Note	Group 2019 $'000	Group 2018 $'000 (Revised) [Note 30]	Company 2019 $'000	Company 2018 $'000 (Revised) [Note 30]
Non-current assets					
Property, plant and equipment	10	**8**	13	**6**	11
Investment in joint ventures	11	**2,800**	-	-	-
Investment in subsidiaries	12	-	-	**26,877**	24,077
		2,808	13	**26,883**	24,088
Current assets					
Trade receivables	13	-	-	-	-
Other receivables, deposits and prepayments	14	**334**	3,633	**102**	3,363
Amounts due from subsidiaries	15	-	-	**686**	712
Cash and bank balances	16	**16,661**	15,261	**16,516**	15,215
Derivative	17	**600**	499	-	-
		17,595	19,393	**17,304**	19,290
Total assets		**20,403**	19,406	**44,187**	43,378
Current liabilities					
Amounts due to subsidiaries	15	-	-	**35,948**	34,660
Trade payables	18	**217**	215	-	-
Other payables and accruals	19	**2,386**	2,487	**1,395**	1,460
Derivative	17	**-**	25	**-**	-
Income tax payable		**814**	818	-	-
		3,417	3,545	**37,343**	36,120
Total liabilities		**3,417**	3,545	**37,343**	36,120
Net assets		**16,986**	15,861	**6,844**	7,258
Capital and reserves attributable to equity holders of the Company					
Share capital	20	**145,623**	145,623	**145,623**	145,623
Treasury shares	21	**(1,219)**	(1,219)	**(1,219)**	(1,219)
Capital reserve	22	**(169)**	(169)	**(169)**	(169)
Settlement shares	23	**(1,140)**	(1,140)	**(1,140)**	(1,140)
Currency translation reserve		**2,139**	1,552	-	-
Accumulated losses		**(128,224)**	(128,812)	**(136,251)**	(135,837)
		17,010	15,835	**6,844**	7,258
Non-controlling interests		**(24)**	26	-	-
Total equity		**16,986**	15,861	**6,844**	7,258

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

Group	Share capital	Treasury shares	Capital reserve	Settlement shares	Currency translation reserve[(1)]	Accumulated losses	Non-controlling interests	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
				(Revised) [Note 30]		(Revised) [Note 30]		
Balance at 01.04.2017	145,508	(1,219)	(169)	(1,140)	1,880	(130,565)	45	14,340
Profit for the financial year	-	-	-	-	-	1,753	(19)	1,734
Other comprehensive loss for the financial year, net of tax:								
- Currency translation difference arising on consolidation	-	-	-	-	(328)	-	-	(328)
Total comprehensive loss for the financial year	-	-	-	-	(328)	1,753	(19)	1,406
Grant of shares awards (Note 20)	115	-	-	-	-	-	-	115
Balance at 31.03.2018	145,623	(1,219)	(169)	(1,140)	1,552	(128,812)	26	15,861
Profit for the financial year	-	-	-	-	-	588	(50)	538
Other comprehensive income for the financial year, net of tax:								
- Currency translation difference arising on consolidation	-	-	-	-	587	-	-	587
Total comprehensive income for the financial year	-	-	-	-	587	588	(50)	1,125
Balance at 31.03.2019	**145,623**	**(1,219)**	**(169)**	**(1,140)**	**2,139**	**(128,224)**	**(24)**	**16,986**

Note:

(1) Currency translation reserve

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

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Share capital	Treasury shares	Capital reserve	Settlement shares	Accumulated losses	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Company				(Revised) [Note 30]	(Revised) [Note 30]	
Balance at 01.04.2017	145,508	(1,219)	(169)	(1,140)	(134,445)	8,535
Loss for the financial year, representing total comprehensive income for the financial year	-	-	-	-	(1,392)	(1,392)
Grant of shares awards (Note 20)	115	-	-	-	-	115
Balance at 31.03.2018	145,623	(1,219)	(169)	(1,140)	(135,837)	7,258
Loss for the financial year, representing total comprehensive loss for the financial year	-	-	-	-	(414)	(414)
Balance at 31.03.2019	**145,623**	**(1,219)**	**(169)**	**(1,140)**	**(136,251)**	**6,844**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	2019 $'000	2018 $'000 (Revised) [Note 30]
Cash flows from operating activities			
Profit before income tax		**538**	1,011
Adjustments for:			
Impairment loss on investment in joint ventures	11	**-**	463
Impairment loss on other receivables	14	**793**	938
Reversal of impairment loss in investment in joint ventures	11	**(2,050)**	-
Depreciation of property, plant and equipment	10	**8**	9
Share of profit of joint ventures		**(880)**	(231)
Fair value (gain)/loss on derivative financial instrument	6	**(25)**	207
Reversal of deferred expenditure	5	**-**	(4,036)
Unrealised currency translation loss/(gain)		**611**	(731)
Total adjustments		**(1,543)**	(3,381)
Operating cash flows before changes in working capital		**(1,005)**	(2,370)
Changes in working capital			
Other receivables, deposits and prepayments		**(493)**	(237)
Other payables and accruals		**60**	(133)
Total changes in working capital		**(433)**	(370)
Net cash used in operating activities		**(1,438)**	(2,740)
Cash flows from investing activities			
Deposits placed with broker for margin calls		**-**	(679)
Purchase of property, plant and equipment	10	**(3)**	(14)
Other receivables		**2,782**	(3,980)
Net cash generated from/(used in) investing activities		**2,779**	(4,673)
Cash flows from financing activity			
Other payables and accruals		**57**	(448)
Net cash generated from/(used in) financing activity		**57**	(448)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	**2019**	2018
	Note	**$'000**	$'000 (Revised) [Note 30]
Net increase/(decrease) in cash and cash equivalents		**1,398**	(7,861)
Cash and cash equivalents at beginning of financial year		**15,261**	23,124
Effect of exchange rate changes on cash and cash equivalents		**2**	(2)
Cash and cash equivalents at end of financial year	16	**16,661**	15,261

Reconciliation of liabilities arising from financing activities

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

	1 April 2017	Cashflows	Non-cash changes Foreign exchange impact	31 March 2018
	$'000	$'000	$'000	$'000
Director related company (Note 19)	473	-	(30)	443
Third parties (Note 19)	750	(448)	13	315

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

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

1 General information

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

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

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

2 Summary of significant accounting policies

2.1 Basis of preparation

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

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

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

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

2 Summary of significant accounting policies (cont'd)

2.2 Adoption of SFRS(I)s

These financial statements for the year ended 31 March 2019 are the first the Group and the Company have prepared in accordance with SFRS(I)s. Accordingly, the Group and the Company have prepared financial statements that comply with SFRS(I)s applicable as at 31 March 2019, together with the comparative period data for the year ended 31 March 2018, as described in the summary of significant accounting policies. On preparing the financial statements, the Group's and the Company's opening balance sheets were prepared as at 1 April 2017, the Group's and the Company's date of transition to SFRS(I)s.

The principal adjustments made by the Group on adoption of SFRS(I)s and the adoption of the new standards that are effective on 1 April 2018 are disclosed below.

Exemptions applied on adoption of SFRS(I)s

SFRS(I) allows first-time adopters exemptions from the retrospective application of certain requirements under SFRS(I)s. The Group has applied the following exemptions:

- SFRS (I) 3 Business Combinations had not been applied to either acquisitions of subsidiaries that are considered business under SFRS(I), or acquisitions of interests in associates and joint ventures that occurred before 1 April 2017. The carrying amounts of assets and liabilities at the date of transition to SFRS(I) is the same as previously reported under FRS.

- SFRS (I) 1-21 The Effects of Changes in Foreign Exchanges Rates has not been applied retrospectively to fair value adjustments and goodwill from business combinations that occurred before the date of transition to SFRS(I). Such fair value adjustments and goodwill are treated as assets and liabilities of the parent rather than as assets and liabilities of the acquire. Therefore, those assets and liabilities are already expressed in the functional currency of the parent or are non-monetary foreign currency items and no further translation differences occur.

- The comparative information do not comply with SFRS(I) 9 Financial Instruments or SFRS(I) 7 Financial Instruments: Disclosures to the extent the disclosures related to items within the scope of SFRS(I) 9.

2 Summary of significant accounting policies (cont'd)

2.2 Adoption of SFRS(I)s (cont'd)

New accounting standards effective on 1 April 2018

The accounting policies adopted are consistent with those previously applied under FRS except that in the current financial year, the Group has adopted all the SFRS(I) which are effective for annual financial periods beginning on or after 1 April 2018. The adoption of these standards does not have any impact to the financial performance or position of the Group and the Company.

SFRS(I) 15 Revenue from Contracts with Customers

The Group adopted SFRS(I) 15 which is effective for annual periods beginning on or after 1 April 2018.

With respect to new SFRS(I) 15, management has assessed and concluded that there is no significant impact on its revenue recognition policy due to the Group's only source of revenue in current and prior year is interest income which do not fall within the scope of SFRS(I) 15.

Accordingly, the initial application of SFRS(I) 15 have no significant impact to the Group's Financial Statements.

SFRS(I) 9 Financial Instruments

On 1 April 2018, the Group adopted SFRS(I) 9 Financial Instruments, which is effective for annual periods beginning on or after 1 April 2018.

The changes arising from the adoption of SFRS(I) 9 have been applied retrospectively. The Group has elected to apply the exemption in SFRS(I) 1 due to there is no significant impact on the comparative amounts of the financial statements for the financial year ended 2018. The Group has not restated comparative information in the year of initial application. The impact arising from SFRS(I) 9 adoption was included in the opening retained earnings at the date of initial application, 1 April 2018. The comparative information was prepared in accordance with the requirements of FRS 39.

<u>Classification and measurement</u>

The classification and measurement requirements of SFRS(I) 9 did not have a significant impact to the Group except for the following changes in the classification and measurement of the financial assets:

- SFRS(I) 9 requires all equity instruments to be carried at fair value through profit or loss ("FVPL"), unless an entity chooses on initial recognition, to present fair value changes in other comprehensive income ("FVOCI").

The Group has assessed which business model applied to the financial assets held by the Group at 1 April 2018 and has classified its financial instruments into the appropriate categories in accordance with SFRS(I) 9.

The initial application of SFRS(I) 9 does not have any reclassification effect to the Company's financial statements.

The Group and the Company has not designed any financial liabilities at FVPL. There are no changes in classification and measurement for the Group's and Company's financial liabilities.

2 Summary of significant accounting policies (cont'd)

2.2 Adoption of SFRS(I)s (cont'd)

In summary, upon the adoption of SFRS(I) 9, the Group had the following required or elected reclassification as at 1 April 2018.

		SFRS(I) 9 measurement category		
FRS 39 Measurement category		**FVPL**	**FVOCI**	**Amortised cost**
Loan and receivables	**$'000**	**$'000**	**$'000**	**$'000**
Other receivables	3,558	-	-	3,558
Refundable deposits	55	-	-	55
Derivative				
Margin call account	499	499	-	-
		499	**-**	**3,613**

2.3 Standards issued but not yet effective

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

Description	**Effective for annual periods beginning on or after**
SFRS(I) 16 Leases	1 January 2019
SFRS(I) INT 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to SFRS(I) 1-28 Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to References to the Conceptual Framework in SFRS(I) Standards	1 January 2020
Amendments to SFRS(I) 3: Definition of a Business	1 January 2020
Amendments to SFRS(I) 1-1 and SFRS(I) 1-8: Definition of Material	1 January 2020
Amendments to SFRS(I) 10 and SFRS(I) 1-28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

Except for SFRS(I) 16, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the year of initial application. The nature of the impending changes in accounting policy on adoption of SFRS(I) 16 are described below.

SFRS(I) 16 Leases

SFRS(I) 16 requires lessees to recognise most leases on balance sheets. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. SFRS(I) 16 is effective for annual periods beginning on or after 1 April 2019. At commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Group plans to adopt SFRS(I) 16 retrospectively with the cumulative effect of initially applying the standard as an adjustment to the opening retained earnings at the date of initial application, 1 April 2019.

2 Summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective (cont'd)

SFRS(I) 16 Leases

On the adoption of SFRS(I) 16, the Group expects to choose, on a lease-by-lease basis, to measure the right-of-use asset at either:

(i) its carrying amount as if SFRS(I) 16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as of 1 April 2019; or

(ii) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before 1 April 2019.

In addition, the Group plans to elect the following practical expedients:

- not to reassess whether a contract is, or contains a lease at the date of initial application and to apply SFRS(I) 16 to all contracts that were previously identified as leases;
- to apply the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends within 12 months as of 1 April 2019; and
- to apply a single discount rate to a portfolio of leases with reasonably similar characteristics.

The Group has performed a preliminary impact assessment based on currently available information, and the assessment may be subject to changes arising from ongoing analysis until the Group adopts SFRS(I) 16 in 2020.

On the adoption of SFRS(I) 16, the Group expects an increase in total assets and total liabilities, EBITDA and gearing ratio.

2.4 Basis of consolidation

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

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

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

Business combinations are accounted for using the acquisition method.

2 Summary of significant accounting policies (cont'd)

2.4 Basis of consolidation (cont'd)

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

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

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

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

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

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

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

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

2 Summary of significant accounting policies (cont'd)

2.5 Investment in subsidiaries

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

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

2.6 Joint venture (Equity - accounted investees)

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

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

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

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

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

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

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

2 Summary of significant accounting policies (cont'd)

2.6 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.

2.7 Goodwill

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

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

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

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

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

2.8 Property, plant and equipment

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

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

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

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

2 Summary of significant accounting policies (cont'd)

2.8 Property, plant and equipment (cont'd)

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.

2.9 Impairment of non-financial assets excluding goodwill

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

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

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

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

2 Summary of significant accounting policies (cont'd)

2.10 Financial assets

The accounting for financial assets before 1 April 2018 are as follows:

Financial assets are classified into the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity and available-for-sale financial assets. The classification depends on the purpose of which the assets were acquired. The management determines the classification of the financial assets at initial recognition and re-evaluates this designation at the end of the reporting period, where allowed and appropriate.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the end of the reporting period which are classified as non-current assets. Loans and receivables are presented as "trade receivables", "other receivables and deposits" (excluding prepayments), "amounts due from subsidiaries" and "cash and bank balances" on the statements of financial position.

(ii) Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception.

A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the short term. Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented Group investment strategy.

Assets in this category are presented as current assets if they are either held for trading or are expected to be realised within twelve months after the statement of financial position date.

Initial recognition and measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction cost for financial assets at fair value through profit or loss are recognised immediately as an expense in profit or loss.

Subsequent measurement

Subsequent to initial recognition, financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets at fair value through profit or loss including the effects of currency translation, interest and dividends, are recognised in profit or loss when the changes arise.

2 Summary of significant accounting policies (cont'd)

2.10 Financial assets (cont'd)

Impairment

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognised an allowance for impairment when such evidence exists.

(i) Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account, and the amount of the loss is recognised in profit or loss. The allowance amount is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised in profit or loss.

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

The accounting for financial assets after 1 April 2018 are as follows:

Classification and measurement

Financial assets are classified in the following measurement categories:

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

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

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

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

At initial recognition

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

2 Summary of significant accounting policies (cont'd)

2.10 Financial assets (cont'd)

At subsequent measurement

(i) Debt instruments

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

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

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

(ii) Equity investments

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

Impairment

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

- trade and other receivables at amortised cost;

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

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

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

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

2 Summary of significant accounting policies (cont'd)

2.11 Derivative financial instruments and hedging activities

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

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

2.12 Financial liabilities

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

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

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

2.13 Cash and cash equivalents

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

2.14 Provisions

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

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

2 Summary of significant accounting policies (cont'd)

2.15 Share capital and treasury shares

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

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

2.16 Revenue recognition

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

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

Interest income is recognised using the effective interest method.

2.17 Leases

When a Group entity is the lessee:

Operating leases

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

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2.18 Employee benefits

Defined contribution plans

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

2 Summary of significant accounting policies (cont'd)

2.18 Employee benefits (cont'd)

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.

2.19 Income taxes

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

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

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

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

2 Summary of significant accounting policies (cont'd)

2.19 Income taxes (cont'd)

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

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

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

2.20 Functional and foreign currencies

Functional and presentation currency

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

Transactions and balances

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

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

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.

2 Summary of significant accounting policies (cont'd)

2.20 Functional and foreign currencies (cont'd)

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

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

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

2.21 Contingencies

A contingent liability is:

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

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

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

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

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

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

2.22 Segment reporting

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

2 Summary of significant accounting policies (cont'd)

2.23 Fair value estimation of financial assets and liabilities

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

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

2.24 Related parties

A related party is defined as follows:

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

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

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

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

3 Critical accounting judgments and key sources of estimation uncertainty

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

3.1 Critical judgment in applying the Group's accounting policies

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

a) Investment in joint ventures

The Group holds 55% of the issued shares in its joint arrangement, HUH Broadband Communication Company Limited ("HUH") (Note 11). The Group has joint control over this arrangement as under the contractual agreement, unanimous consent is required from all parties to the agreements for all relevant activities. Management has considered that the joint arrangement is structured as a limited company and provides the Group and the parties to the agreement with rights to the net assets of the limited company under the arrangement. Accordingly, this arrangement is classified as an investment in joint venture.

The Group through its investment in NGSC Capital Pte. Ltd. holds 50% of the issued shares in its joint arrangement, Indo EM Growth Fund GP Holdings Limited. The Group has joint control over this arrangement as under the contractual agreement, unanimous consent is required from all parties to the agreements for all relevant activities. Management has considered that the joint arrangement is structured as a limited company and provides the Group and the parties to the agreement with rights to the net assets of the limited company under the arrangement. Accordingly, this arrangement is classified as an investment in joint venture.

b) Investment in subsidiary

The Company holds 55% of the issued shares in its subsidiary, NGSC Capital Pte. Ltd. ("NGSC Capital"), which in turns holds 100% of the issued shares in NGSC Investment Limited and NGSC Capital Limited (Note 12). The Company has control over these subsidiaries as under the contractual agreement, the Company holds majority voting power over the non-controlling interest for all relevant activities. Management has assessed the equity interest held in NGSC Investment Limited and NGSC Capital Limited equate to "control being achieved" with respect to:

- Power over the investee;
- Is exposed, or has right, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

Accordingly, this arrangement is classified as an investment in subsidiary.

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)

c) Independent investigation by Ernst & Young Advisory Pte. Ltd ("EY").

On 10 November 2014, the Company appointed EY as the independent accounting firm to investigate the following:

(i) The Company had on 1 April 2010 entered into a sale and purchase agreement to acquire MSN and its subsidiaries, PT KAMU, PT MSN (collectively, the "MSN group") from Bright Reach International Limited ("BRI"). Following the acquisition, allegations were raised by the previous owners of MSN's subsidiary, PT MSN that BRI had not fulfilled certain obligations to them prior to the acquisition. Allegations were also raised regarding the appropriateness of certain transactions and actions involving PT MSN.

(ii) In light of the above allegations, EY was to ascertain the relevant facts, review of the acquisition transaction and the process and procedures surrounding the consideration paid with reference to the financial records of the MSN group and corporate records of PT MSN.

EY completed its independent investigation on 7 December 2017 and issued a report (the "EY2 Report") on its findings to the Company. The Audit Committee and the Board of Directors of the Company ("Board") have reviewed the EY2 Report and have noted that it highlighted, among other things:

(i) Possible connections between BRI and a former director of the Company, Hady Hartanto; and

(ii) Possible connections between Hady Hartanto, BRI and a finance company, Niaga Finance Company.

The Board has adopted the EY2 Report.

On 1 February 2018, the Company announced that the Board had convened a Special Committee comprising two Directors of the Company, Mr Andrew Coulton and Ms Cheung Kam Wa, to seek legal advice, on the basis of the EY2 Report findings. The Special Committee has appointed WongPartnership LLP ("WP LLP") as legal counsel to advise the Special Committee on the EY2 Report findings.

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)

c) Independent investigation by Ernst & Young Advisory Pte. Ltd ("EY"). (cont'd)

As at the date of this report, WP LLP had rendered their advice on 11 March 2019 and the Board is still deliberating the steps to take pursuant to WP LLP's advice. However, the Board based on their judgement is of the view that the WP LLP advice would not have any significant financial impact on the Group's financial statements due to the following reasons:

1. WP LLP is not carrying out any investigation and nor will their legal advice lead to EY carrying further investigation; and

2. As at 31 March 2019, all the relevant assets under MSN group had been fully impaired and the Board, based on their judgement, is of the view that in the event of any financial impact, the impact would be insignificant to the Group.

d) 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 2019 as the inflow of cash is contingent to a successful claim, which management has determined to be uncertain. The assessment process involved significant management judgement and is subject to future developments relating to the investigations.

3.2 Critical accounting estimates and assumptions

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

(a) Impairment of non-financial assets

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

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

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

3.2 Critical accounting estimates and assumptions (cont'd)

(a) Impairment of non-financial assets (cont'd)

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

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

(b) Provision for expected credit losses ("ECLs") of trade receivables

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

There is critical judgement used in the measurement of lifetime expected credit losses and forward-looking assumptions. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 13.

The carrying amounts of trade receivables at the end of the reporting period was Nil (2018: Nil).

(c) 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 2019 is $0.8 million and Nil (2018: $0.8 million and Nil) respectively.

The Group has unutilised tax losses amounting to approximately $4.85 million (2018: $4.85 million) [Note 8]. These losses relate to the Company and certain subsidiaries that have a history of losses, do not expire and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have neither temporary taxable differences nor any tax planning opportunities available that could support the recognition of any of these losses as deferred tax asset.

4 Revenue

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

5 Other income

	Group	
	2019	2018
	$'000	$'000
Interest income	**222**	178
Currency exchange gain, net	**102**	-
Reversal of impairment loss in joint venture	**2,050**	-
Reversal of deferred expenditure	**-**	4,036
Fair value gain on derivative financial derivatives	**25**	-
Others	**36**	24
	2,435	4,238

6 Profit before income tax

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

	Group	
	2019	2018
	$'000	$'000
		(Revised)
Impairment loss on other receivables (Note 14)	**793**	938
Impairment loss on investment in joint ventures (Note 11)	**-**	463
Reversal of impairment loss on investment in joint ventures (Note 11)	**(2,050)**	-
Audit fees		
- auditors of the Company-current year	**90**	100
- other auditors of subsidiaries-current year	**32**	29
Depreciation of property, plant and equipment (Note 10)	**8**	9
Operating lease expenses	**130**	86
Employee benefits expense (Note 7)	**763**	642
Legal and professional expenses	**175**	129
Fair value (gain)/loss on derivative financial instrument	**(25)**	207

7 Employee benefits expense

	Group	
	2019	2018
	$'000	$'000
Directors' remuneration (including Performance Share Scheme):		
- directors of holding company		
- salaries and allowance	**348**	354
- directors of subsidiaries	**-**	-
	348	354
Key management personnel (non-director)		
- salaries and allowance	**143**	132
- employer's contributions to defined contribution plans	**13**	12
	156	144
Total compensation of key management personnel [Note 25(c)]	**504**	498
Other personnel		
- salaries and allowance	**225**	115
- employer's contributions to defined contribution plans	**34**	29
	259	144
Total employee benefits expense (Note 6)	**763**	642

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

8 Income tax credit

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

	Group	
	2019	2018
	$'000	$'000
Income tax		
- current	**-**	-
- over provision in prior year	**-**	(723)
	-	(723)

8 Income tax credit (cont'd)

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

	Group 2019 $'000	Group 2018 $'000 (Revised)
Profit before tax	**538**	1,011
Income tax credit at the statutory rate of 17% (2018: 17%)	**91**	172
Effects of:		
- Non-deductible expenses	**112**	116
- Income not subject to tax	**(184)**	(1,464)
- Different tax rates in different countries	**(149)**	(38)
- Losses disallowed	**130**	1,214
- Over provision in prior year	**-**	(723)
Income tax credit	**-**	(723)

The Group has unused tax losses of approximately $4.85 million (2018: $4.85 million) for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of this balance is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation. The tax losses have no expiry date.

9 Earnings per share

	Group 2019 $'000	Group 2018 $'000 (Revised) [Note 30]
The calculation of earnings per share is based on the following:		
Profit attributable to the equity holders of the Company	**588**	1,753
<u>Number of shares</u>		
Weighted average number of ordinary shares for the purpose of basic earnings per share ('000)	**6,424,736**	6,424,736
Earnings per share attributable to equity holders of the Company (cents per share):		
- Basic	**0.0092**	0.0273
- Diluted	**0.0092**	0.0273

10 Property, plant and equipment

	Leasehold improvement $'000	USO equipment $'000	Plant and equipment $'000	Total $'000
Group				
Cost				
Balance at 1.4.2017	331	5,580	630	6,541
Additions	5	-	9	14
Translation differences on consolidation	(19)	(509)	(1)	(529)
Balance at 31.3.2018	317	5,071	638	6,026
Additions	-	-	3	3
Translation differences on consolidation	8	(9)	(1)	(2)
Balance at 31.3.2019	**325**	**5,062**	**640**	**6,027**
Accumulated depreciation				
Balance at 1.4.2017	329	5,577	626	6,532
Charge for the financial year (Note 6 & 26)	2	1	6	9
Translation differences on consolidation	(19)	(508)	(1)	(528)
Balance at 31.3.2018	312	5,070	631	6,013
Charge for the financial year (Note 6 & 26)	3	-	5	8
Translation differences on consolidation	8	(9)	(1)	(2)
Balance at 31.3.2019	**323**	**5,061**	**635**	**6,019**
Carrying amount				
At 31.3.2018	5	1	7	13
At 31.3.2019	**2**	**1**	**5**	**8**

10 Property, plant and equipment (cont'd)

	Leasehold improvement $'000	Plant and equipment $'000	Total $'000
Company			
Cost			
Balance at 1.4.2016 and 31.3.2017	41	43	84
Additions	5	9	14
Balance at 31.3.2018	46	52	98
Additions	-	3	3
Balance at 31.3.2019	**46**	**55**	**101**
Accumulated depreciation			
Balance at 1.4.2017	40	39	79
Charge for the financial year	2	6	8
Balance at 31.3.2018	42	45	87
Charge for the financial year	3	5	8
Balance at 31.3.2019	**45**	**50**	**95**
Carrying amount			
At 31.3.2018	4	7	11
At 31.3.2019	**1**	**5**	**6**

11 Investment in joint ventures

	Group	
	2019 $'000	2018 $'000 (Revised) [Note 30]
Unquoted equity shares, at cost	**52,162**	52,130
Increase during the year	**-**	32
Group's share of post-acquisition losses	**(2,288)**	(3,168)
Accumulated impairment loss	**(46,858)**	(48,908)
Currency alignment	**(216)**	(86)
	2,800	-

11 Investment in joint ventures (cont'd)

The movement in accumulated impairment loss is as follows:

	Group	
	2019	2018
	$'000	$'000
Balance at beginning of the financial year	**48,908**	48,445
(Reversal)/Charge for the financial year	**(2,050)**	463
Balance at end of the financial year	**46,858**	48,908

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	
			2019	2018
			%	%
Held through China UnifiedNet Holdings Limited				
HUH Broadband Communication Company Limited ("HUH") [(1)] [Formerly known as Hughes UnifiedNet Holding (China) Company Limited]	Investment holding and trading of satellite communication system devices	Hong Kong SAR	**55**	55
Held through HUH				
HughesNet China Company Limited ("HNC") [(1)] [(2)]	Development of internet and satellite communication system technology and trading in satellite communication system devices	People's Republic of China	**55**	55
Held through HNC				
Beijing China Satcom Unified Network Systems Technology Co., Ltd. [(1)]	Development of internet and computer technology	People's Republic of China	**55**	55
Held through NGSC Capital Limited				
Indo EM Growth Fund GP Holdings Limited ("Indo EM Holdings") [(1)]	Investment holding	Cayman Islands	**50**	50

(1) Audited by RT LLP, Singapore, for the purpose of expressing an opinion on the consolidated financial statements for the financial year ended 31 March 2019

(2) Audited by Beijing Huiyun Accounting Firm Co Limited for local statutory reporting

11 Investment in joint ventures (cont'd)

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").

During the current 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 of the investment in HUH Group has been computed based on a combination of fair value ("FV") less costs of disposal and value in use of the investment in joint venture using the estimated discounted future cash flows ("DCF") projection method.

The DCF is based on management financial budget approves by the Board covering a 5 years period. The use of the DCF involves significant judgement in the forecast projection of sales and operating cash flows for the next five years. The DCF model also include assumption on terminal growth rate and weighted cost of capital ("WACC").

A reversal of impairment loss of $2.05 million (FY2018: $Nil) was recognised in current financial year to its recoverable amount of $2.8 million (FY2018: Nil).

Sensitivity analysis

The key assumptions used in the value-in-use calculations is WACC at 12.24%

Had the actual results varied from the management's estimation, the estimated recoverable amount of the investment and the reversal of impairment charge would be as follows:

	Estimated recoverable amount $'000	(Decrease)/ increase in reversal of impairment charge $'000
1% higher than the management's projection	2,577	226
1% lower than the management's projection	2,962	(160)

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

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 analysis, 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.

			2019	2018
			$'000	$'000
	HUH Group	**Indo EM Holdings**	**Total**	Total
Summarised statement of comprehensive income				
Revenue	**27,481**	**-**	**27,481**	140,610
Profit/(Loss) after tax	**1,578**	**(6)**	**1,572**	416
Total comprehensive income/(loss)	**1,578**	**(6)**	**1,572**	416
Amortisation of intangible assets	**(1,098)**	**-**	**(1,098)**	(1,080)
Depreciation of property, plant and equipment	**(114)**	**-**	**(114)**	(114)
Summarised statement of financial position				
Non-current assets	**1,137**	**-**	**1,137**	2,483
Current assets	**15,601**	**3**	**15,604**	16,782
Current liabilities	**(19,351)**	**(17)**	**(19,368)**	(23,023)
Total equity attributed to the equity holders of the Company	**(2,613)**	**(14)**	**(2,627)**	(3,758)

Included in the summarised statement of financial position are cash and cash equivalents amounting to $1.67 million (2018: $0.24 million) for the financial year ended 31 March 2019.

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

			2019	2018
			$'000	$'000
	HUH Group	**Indo EM Holdings**	**Total**	
Group's share of net liabilities based on proportion of ownership interest	**(1,437)**	**(7)**	**(1,444)**	(2,070)
Goodwill on acquisition	**51,077**	**7**	**51,084**	51,077
Accumulated impairment loss	**(46,858)**	**-**	**(46,858)**	(48,908)
Translation differences on consolidation	**18**	**-**	**18**	(99)
Balance at end of the financial year	**2,800**	**-**	**2,800**	-

12 Investment in subsidiaries

	Company	
	2019	2018
	$'000	$'000
		(Revised)
		[Note 30]
Unquoted equity shares, at cost	**65,725**	65,725
Accumulated impairment loss	**(38,848)**	(41,648)
Balance at end of the financial year	**26,877**	24,077

The movement in accumulated impairment loss is as follows:

	Company	
	2019	2018
	$'000	$'000
Balance at beginning of the financial year	**41,648**	41,630
(Reversal of impairment loss)/Charge during the financial year	**(2,800)**	18
Balance at end of the financial year	**38,848**	41,648

Impairment review of investment in subsidiaries

During the current financial year, management performed an impairment test for the investment in China UnifiedNet Holdings Limited ("CUH"). The recoverable amount of the investment in CUH has been computed based on a combination of fair value ("FV") less costs of disposal and value in use of the investment in joint venture using the estimated discounted future cash flows ("DCF") projection method.

The DCF is based on management financial budget approves by the Board covering a 5 years period. The use of this DCF involves significant judgement in the forecast projection of sales and operating cash flows for the next five years. The DCF model also include assumption on terminal growth rate and weighted cost of capital ("WACC").

A reversal of impairment loss of $2.8 million was recognised in current financial year to its recoverable amount of $2.8 million.

Sensitivity analysis

The key assumptions used in the value-in-use calculations is WACC at 12.24%

Had the actual results varied from the management's estimation, the estimated recoverable amount of the investment and the reversal of impairment charge would be as follows:

	Estimated recoverable amount	(Decrease)/ increase in reversal of impairment charge
	$'000	$'000
1% higher than the management's projection	2,577	226
1% lower than the management's projection	2,962	(160)

12 Investment in subsidiaries (cont'd)

Name of companies	Principal activities	Country of incorporation / place of business	Proportion of ownership interest	
			2019	2018
			%	%
Ban Joo Global Pte Ltd [(1)]	Investment holding	Singapore	**100**	100
Fortknox Global Pte Ltd [(1)]	Dormant	Singapore	**100**	100
Telemedia Pacific Communications Pte Ltd [(1)]	Investment holding and provision of connectivity services	Singapore	**100**	100
VIP (HK) Ltd ("VIP HK") [(2)(5)]	Investment holding and satellite telecommunications related sales and services rendering	Hong Kong SAR	**100**	100
China UnifiedNet Holdings Limited [(3)(5)]	Investment holding	British Virgin Islands	**100**	100
Arch Capital Limited [(3)(5)]	Holder of convertible note	British Virgin Islands	**100**	100
Hillgo Asia Limited [(3)(5)]	Holder of convertible note	British Virgin Islands	**100**	100
NGSC Investment Management Pte Ltd [(5)(6)]	Investment holding	Singapore	**100**	100
NGSC Capital Pte. Ltd. [(1)(5)]	Investment holding	Singapore	**55**	55
Held through VIP (HK) Ltd				
Multi Bright (HK) Ltd [(2)(5)]	Investment holding	Hong Kong SAR	**100**	100
Star Light Telemedia DC Limited ("SLTL") [(2)(5)]	Provision of data centre services	Hong Kong SAR/ Indonesia	**100**	100

12 Investment in subsidiaries (cont'd)

Name of companies	Principal activities	Country of incorporation / place of business	Proportion of ownership interest	
			2019	2018
			%	%
Held through Telemedia Pacific Communications Pte Ltd				
Multi Skies Nusantra Limited [(2)(5)]	Investment holding	Hong Kong SAR	**100**	100
PT Karunia Anugerah Mitra Utama [(4)(5)]	Investment holding	Indonesia	**100**	100
PT Multi Skies Nusantara [(4)(5)]	Building, operating and leasing of Universal Service Obligation equipment	Indonesia	**100**	100
Held through NGSC Capital Pte Ltd				
NGSC Investment Limited [(3)(5)]	Investment holding	Hong Kong SAR	**55**	55
NGSC Capital Limited [(3)(5)]	Investment holding	Cayman Islands	**55**	55

(1) Audited by AG Assurance, Singapore.

(2) Audited by Baker Tilly Hong Kong Limited for local statutory reporting.

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

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

(5) Audited by RT LLP, Singapore, for the purpose of expressing an opinion on the consolidated financial statements for the financial year ended 31 March 2019.

(6) Not required to be audited as it was dormant during the financial years ended 31 March 2019 and 31 March 2018.

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.

	2019	2018
	$'000	$'000
Summarised statement of comprehensive income		
Revenue	**-**	-
Loss after tax	**(111)**	(43)
Total comprehensive loss	**(111)**	(43)
Loss after tax attributable to NCI	**(50)**	(19)
Total comprehensive loss attributable to NCI	**(50)**	(19)
Summarised statement of financial position		
Non-current assets	**-**	32
Current assets	**173**	59
Current liabilities	**(219)**	(33)
Net (liabilities)/assets	**(46)**	58
Net (liabilities)/assets attributable to NCI	**(21)**	26
Summarised statement of cash flows		
Cash flows from operating activities	**(152)**	(32)
Cash flows from investing activities	**-**	32
Cash flows from financing activities	**238**	-
Net increase in cash and cash equivalent	**86**	-

13 Trade receivables

	Group	
	2019	2018
	$'000	$'000
Trade receivables	**9,539**	9,539
Less: Allowance for impairment of trade receivables	**(9,539)**	(9,539)
Total trade receivables, net	**-**	-

13 Trade receivables (cont'd)

Receivables that were impaired

The Group's trade receivables that were impaired as at 31 March 2018 and the movements of the allowance accounts used to record the impairment were as follows:

	2018
	$'000
Trade receivables – nominal amounts	9,539
Less: Allowance for impairment	(9,539)
	-
Movement in allowance accounts:	
At 1 April 2017	9,539
Charge for the year	-
At 31 March 2018	9,539

Trade receivables that were determined to be impaired at the end of the reporting date relate to debtors that were in significant financial difficulties and had defaulted on payments. These receivables were not secured by any collateral or credit enhancements.

Expected credit losses

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

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

14 Other receivables, deposits and prepayments

	Group		Company	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
		(Revised)		(Revised)
		[Note 30]		[Note 30]
Other receivables:				
- Third parties (1)	**2,063**	5,101	**1,002**	4,017
- Niaga (2)	**635**	614	**-**	-
- Loan to joint ventures (3)	**793**	260	**793**	260
	3,491	5,975	**1,795**	4,277
Less: Allowance for impairment of other receivables	**(3,254)**	(2,417)	**(1,747)**	(954)
Other receivables, net	**237**	3,558	**48**	3,323
Refundable deposits	**75**	55	**32**	20
Prepayments	**22**	20	**22**	20
	334	3,633	**102**	3,363

(1) Other receivables - Loan agreement with Zhong Ping Trading Development Company Limited (incorporated in Hong Kong) and Mark Tam

On 27 April 2017, the Company announced that it has entered into a loan agreement (the "Loan Agreement") with Zhong Ping Trading Development Company Limited ("ZP") and Tam Man Wai ("Mark Tam") in connection with the grant of a loan to ZP of the principal amount of up to S$3 million (the "Loan").

On 17 May 2017, the completion of the Loan has taken place and the Company has disbursed the Loan to ZP.

The Board has granted the loan as this funding to ZP is an opportunity and a preliminary step towards considering future investment in ZP, subject to due diligence and other matters to be considered in the event the Company decides to invest further in ZP. Meanwhile, the Company can derive interest income from the Loan.

Details of the loan

Pursuant to the Loan Agreement, the Company has granted a loan to ZP of the principal amount of up to S$3 million. The Loan bears simple interest at the rate of 6% per annum which shall be payable in advance for the period from the date of disbursement of the Loan ("Disbursement Date") until the date falling two (2) years from the Disbursement Date ("Maturity Date"). Where the Loan is repaid by ZP in accordance with the Loan Agreement, the amount of interest payable for the period from the date of repayment to the Maturity Date shall be refunded by the Company to ZP, on the basis of actual days elapsed and on a 365-day year.

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

(1) Other receivables - Loan agreement with Zhong Ping Trading Development Company Limited (incorporated in Hong Kong) and Mark Tam (cont'd)

Security

As stipulated in the Loan Agreement, Mark Tam has agreed with and has undertaken to the Company that he shall provide (i) a personal guarantee to make payment in respect of all monies and liabilities due, owing or incurred by ZP under the Loan Agreement;(ii) a charge in favour of the Company over 349,970 shares held by him in ZP; and (iii) shall procure that Grand Harvest Resource Holdings Ltd. execute a charge in favour of the Company over 650,000 shares held by it in ZP.

In addition, ZP and Mark Tam have agreed and undertaken to deliver to the Company the original certificates of real estate ownership or title deeds of the properties owned by subsidiaries of ZP in China as security for the payment and performance in full of all monies and liabilities due, owing or incurred by ZP under the Loan Agreement, and shall grant to the Company a security interest in such properties and the power to have and to hold the aforesaid documents in such properties together with all right, title, interest, powers, privileges pertaining or incidental thereto until all monies and labilities due, owing or incurred by the ZP under the Loan Agreement have been fully paid to the Company.

On 9 May 2018, the Company announced that it has decided not to proceed with the Call Option. Accordingly, the Company entered into a settlement agreement with ZP, Mark Tam and the Vendor ("Settlement Agreement") pursuant to which the parties have agreed to terminate the Call Option Agreement subject to ZP agreeing to prepay the Loan and interest under the Loan Agreement by 16 August 2018 (Final Prepayment Date) or such later date as may be agreed by the Company and ZP in writing in accordance with the terms of the Settlement Agreement.

The principal amount of $3 million plus interest has been repaid to the Company during the current financial year.

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

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

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

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

Accordingly, management has made an allowance for impairment amounting to $937,800 (equivalent of RMB 4.5 million) in the previous financial year.

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

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

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

The Outstanding Debt was the amount due to the Company under the convertible notes issued by JeeOne with the principal amount of 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.

Financial assets at fair value through profit or loss

	2019	2018
	$	$
Designated at fair value on initial recognition:		
Unquoted debt securities		
Balance as at beginning of financial year	**-**	-
Balance as at end of financial year	**-**	-

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

The convertible notes details are as follows:-

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

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

(2) Other receivables – Niaga

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

Background information

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

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

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

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

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

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

Background information (cont'd)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(3) Loan to joint ventures

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

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

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

	Group	
	2019	2018
	$'000	$'000
		(Revised)
		[Note 30]
Balance at beginning of the financial year	**2,417**	1,382
Charge for the financial year (Note 6 & 26):	**793**	938
JeeOne [Note 14[1]]	**-**	938
Joint ventures [Note 14[3]]	**793**	-
Exchange differences	**44**	97
Balance at end of the financial year	**3,254**	2,417

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

	Group		Company	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
		(Revised)		(Revised)
Singapore dollars	**176**	3,495	**102**	3,363
Indonesian rupiah	**136**	136	-	-
Hong Kong dollar	**13**	-	-	-
United State dollars	**9**	2	-	-
	334	3,633	**102**	3,363

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

	Company	
	2019	2018
	$'000	$'000
Amounts due from subsidiaries [Note (a)]	**686**	712
Amounts due to subsidiaries	**(35,948)**	(34,660)
Note (a):		
Amounts due from subsidiaries	**16,564**	15,800
Less: Allowance for impairment	**(15,878)**	(15,088)
	686	712

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

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

	Company	
	2019	2018
	$'000	$'000
Balance at beginning of the financial year	**15,088**	15,980
Charged to profit or loss	**787**	-
Reversal of allowance for impairment	**-**	(890)
Exchange differences	**3**	(2)
Balance at end of the financial year	**15,878**	15,088

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

	Company	
	2019	2018
	$'000	$'000
<u>Amounts due from subsidiaries:</u>		
Singapore dollars	**-**	28
United States dollars	**625**	658
Hong Kong dollars	**61**	26
	686	712
<u>Amounts due to subsidiaries:</u>		
Singapore dollars	**7,514**	55
United States dollars	**1,816**	7,699
Hong Kong dollars	**26,618**	26,906
	35,948	34,660

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

16 Cash and bank balances

	Group		Company	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Cash and bank balances	**16,661**	15,261	**16,516**	15,215

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16 Cash and bank balances (cont'd)

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

	Group		**Company**	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Singapore dollars	**255**	90	**204**	77
United States dollars	**3,306**	4,031	**3,304**	4,007
Indonesian rupiah	**3**	1	-	-
Hong Kong dollars	**13,097**	11,139	**13,008**	11,131
	16,661	15,261	**16,516**	15,215

17 Derivative

	Group			
			2019	**2018**
	Notional Amount		**$'000**	**$'000**
	2019	**2018**	**Assets/ (Liabilities)**	
Futures contracts				
Securities – Negative fair value	**-**	**US$1.97 mil**	**-**	**(25)**
Total financial assets/(liabilities) at fair value through profit or loss			**-**	**(25)**

	Group	**Group**
	2019	**2018**
	$'000	**$'000**
Margin call account	**600**	**499**

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

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

This is entirely a trading activity for the treasury funds of NGSC Limited. BJG was used as a vehicle to confine the risk capital to the amount of deposits placed with InterActive Broker, and is not an open-ended exposure. The total amount of deposits placed with InterActive Broker was $679k (equivalent to USD 500k). This deposit had since dropped to $600k (equivalent to USD 443k) with the cumulative $79k loss incurred since FY2018.

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

17 Derivative (cont'd)

The trade positions are monitored weekly by the Financial Controller and reported to Chief Executive Officer. The results are reported to Audit Committee and the Board of Directors (the "Board") at every quarter of the financial year. A director of the Company's subsidiary, NGSC Capital Pte. Ltd., who is a seasoned professional with over decades of experience has been approved by the Board to exercise authority over this trading account.

18 Trade payables

Trade payables are non-interest bearing and are generally settled within 0 to 30 days (2018: 0 to 30 days).

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

	Group	
	2019	2018
	$'000	$'000
United States dollars	**53**	51
Indonesian rupiah	**164**	164
	217	215

19 Other payables and accruals

	Group		Company	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Other payables				
- Director related company [(1)]	**459**	443	-	-
- Third parties	**374**	315	**202**	145
	833	758	**202**	145
Accruals [(2)]	**1,500**	1,511	**1,140**	1,097
Amount due to former director [(3)]	**53**	-	**53**	-
Deferred income [(4)]	**-**	218	**-**	218
	2,386	2,487	**1,395**	1,460

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

(2) Included in accruals are $1.0 million (2018: $1.0 million) that relates to the provision of directors' fees.

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

(4) This relates to interest income received in advance for loan to ZP and JeeOne [Note 14[(1)]].

19 Other payables and accruals (cont'd)

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

	Group		Company	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Singapore dollars	**1,423**	1,431	**1,395**	1,344
United States dollars	**97**	118	-	-
Indonesian rupiah	**358**	168	-	-
Hong Kong dollars	**508**	770	**-**	116
	2,386	2,487	**1,395**	1,460

20 Share capital

	Group and Company			
	2019		2018	
	Number of ordinary shares		Number of ordinary shares	
	'000	**$'000**	'000	$'000
Issued and paid-up				
Balance at beginning of the financial year	**6,448,936**	**145,623**	6,410,536	145,508
Share awards granted during the financial year	**-**	**-**	38,400	115
Balance at the end of the financial year	**6,448,936**	**145,623**	6,448,936	145,623

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

On 6 July 2017, the Company announced that 38,400,000 new ordinary shares amounting to $115,200 (i.e. issuance price of $0.003 per share) based on market price of the Company's shares of $0.002 per share (as at close of last trading day before the date of grant – 30 June 2017) were awarded to certain directors of the Company in lieu of part of the Directors' fees payable for the financial year ended 31 March 2015 (Note 19), pursuant to the general mandate obtained at the annual general meeting of the Company held on 12 May 2017.

The fair value of the shares awarded were measured on the basis of an observable market price. There were no expected dividends or other features of the shares that were incorporated into the measurement of fair value.

The new shares rank *pari passu* in all respects with the existing shares of the Company in issue. Following the issue of the new shares, the number of issued and paid up ordinary shares of the Company increased to 6,424,735,828 ordinary shares (excluding 24,200,000 treasury shares).

21 Treasury shares

	Group and Company			
	2019		2018	
	Number of ordinary shares		Number of ordinary shares	
	'000	**$'000**	'000	$'000
Balance at beginning and end of the financial year	**(24,200)**	**(1,219)**	(24,200)	(1,219)

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

22 Capital reserve

	Group and Company	
	2019	2018
	$'000	$'000
Balance at beginning and end of the financial year	**(169)**	(169)

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

23 Settlement shares

	Group and Company	
	2019	2018
	$'000	$'000
Balance at beginning and end of the financial year	**(1,140)**	(1,140)

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

24 Operating lease

Where the Group is the lessee

The future aggregate minimum leases payable under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as liabilities are as follows:

	Group		Company	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Future minimum lease payments				
- Not later than one year	**87**	76	**87**	75
- Later than one year and not later than five years	**77**	5	**77**	5
	164	81	**164**	80

Operating lease payments represent rentals payable by the Group for certain of its offices and office equipment. These lease expires between 1 April 2019 to 14 February 2021 (2018: 16 August 2017 to 1 October 2020) with an option to renew for another 2 years with no contingent rent provision included in the contracts. The Group is restricted from sub-leasing its offices and office equipment to third parties. The current rent payable on the leases range from $150 to $7,106 (2018: $150 to $6,970) per month.

25 Related party information

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

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

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

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

26 Segment information

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

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

26 Segment information (cont'd)

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 (2018: 2) reportable operating segments by geographical area: People's Republic of China and Singapore (2018: People's Republic of China and Singapore).

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

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

26 Segment information (cont'd)

2018	Building, operating and leasing USO equipment, provision data center and connectivity service $'000 (Revised)	Unallocated $'000 (Revised)	Group $'000 (Revised)
Revenue			
External sales	-	-	-
Segment results			
Loss from operations	(44)	(1,494)	(1,538)
Other expenses	(253)	(1,667)	(1,920)
Other income	-	4,238	4,238
Share of profit of joint venture	231	-	231
Profit before tax			1,011
Income tax credit			723
Profit after tax			1,734
Segment assets representing consolidated total assets	2,677	16,729	19,406
Segment liabilities	921	1,806	2,727
Unallocated liabilities			
- Income tax payable	698	120	818
Consolidated total liabilities			3,545
Non-current assets	-	13	13
Other segment items			
Depreciation of property, plant and equipment (Note 10)	-	9	9
Impairment loss on other receivables (Note 14)	-	938	938
Impairment loss on investment in joint ventures (Note 11)	-	463	463

26 Segment information (cont'd)

Geographical information

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

	Non-current assets	
	2019	2018
	$'000	$'000
People's Republic of China	**2,800**	-
Singapore	**8**	13
Group	**2,808**	13

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

27 Financial instruments

(a) Categories of financial instruments

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

	Group		**Company**	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Financial assets				
At amortised cost	**16,973**	18,874	**17,282**	18,890
At FVPL	**600**	499	**-**	-
	17,573	19,373	**17,282**	18,890
Financial liabilities				
At amortised cost	**2,603**	2,727	**37,343**	36,120

(b) Financial risk management objectives and policies

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

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

27 Financial instruments (cont'd)

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

(i) Market risk

Foreign currency risk

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

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

27 Financial instruments (cont'd)

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

(i) Market risk (cont'd)

Foreign currency risk (cont'd)

Denominated in:	SGD	USD	IDR	HKD
	$'000	$'000	$'000	$'000
Group	**(Revised)**			
2018				
Financial assets				
Other receivables and deposits (exclude prepayments)	3,475	-	138	-
Cash and bank balances	111	4,015	-	11,135
	3,586	**4,015**	**138**	**11,135**
Financial liabilities				
Trade payables	-	51	164	-
Other payables and accruals	1,433	141	770	168
	1,433	**192**	**934**	**168**
Net financial assets/(liabilities)	**2,153**	**3,823**	**(796)**	**10,967**
Less: Net financial assets denominated in the respective entities functional currencies	(2,153)	185	781	48
Foreign currency exposure	**-**	**4,008**	**(15)**	**11,015**

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

27 Financial instruments (cont'd)

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

(i) Market risk (cont'd)

Foreign currency risk (cont'd)

Denominated in:	SGD	USD	IDR	HKD
	$'000	$'000	$'000	$'000
Company	**(Revised)**			
2018				
Financial assets				
Other receivables and deposits (exclude prepayments)	3,343	-	-	-
Amounts due from subsidiaries	28	658	-	26
Cash and bank balances	77	4,007	-	11,131
	3,448	**4,665**	-	**11,157**
Financial liabilities				
Amounts due to subsidiaries	55	7,699	-	26,906
Other payables and accruals	1,344	-	-	116
	1,399	**7,699**	-	**27,161**
Net financial assets/(liabilities)	2,049	(3,034)	-	(16,004)
Less: Net financial assets denominated in the Company's functional currency	(2,049)	-	-	-
Foreign currency exposure	-	(3,034)	-	(16,004)

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

Foreign currency risk sensitivity

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

27 Financial instruments (cont'd)

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

(i) Market risk (cont'd)

Foreign currency risk (cont'd)

Foreign currency risk sensitivity (cont'd)

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

	USD impact			IDR impact			HKD impact		
	2019	2018		**2019**	2018		**2019**	2018	
	$'000	$'000		**$'000**	$'000		**$'000**	$'000	
Group									
Profit or loss	**168**	200	(i)	**-**	**(1)**	(i)	**630**	551	(i)
Company									
Profit or loss	**106**	(152)	(ii)	**-**	**-**	(ii)	**(677)**	(800)	(ii)

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

	USD impact			IDR impact			HKD impact		
	2019	2018		**2019**	2018		**2019**	2018	
	$'000	$'000		**$'000**	$'000		**$'000**	$'000	
Group									
Profit or loss	**(168)**	(200)	(i)	**-**	1	(i)	**(630)**	(551)	(i)
Company									
Profit or loss	**(106)**	152	(ii)	**-**	-	(ii)	**677**	800	(ii)

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

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

Interest rate risk

The Group's policy is to obtain the most favourable interest rates available without increasing its foreign currency exposure. The Group constantly monitors its interest rate risk and does not utilise forward contracts or other arrangements for trading or speculative purposes. As at 31 March 2019, 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 any financial instruments which are subject to significant interest rate risks. The sensitivity analysis for interest rate is not disclosed as the effect on the profit or loss is considered not significant.

27 Financial instruments (cont'd)

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

(ii) Liquidity risk

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

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

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

	2019		2018	
	1 year or less	**1 to 5 years**	1 year or less	1 to 5 years
	$'000	**$'000**	$'000	$'000
Group				
Trade and other payables	**2,603**	-	2,727	-
Company				
Amounts due to subsidiaries	**35,948**	-	34,660	-
Trade and other payables	**1,395**	-	1,460	-

(iii) Credit risk

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

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

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

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

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

27 Financial instruments (cont'd)

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

(iii) Credit risk (cont'd)

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

- Internal credit rating

- External credit rating

- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations

- Actual or expected significant changes in the operating results of the borrower

- Significant increases in credit risk on other financial instruments of the same borrower

- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower.

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

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

- There is significant difficulty of the borrower

- A breach of contract, such as a default or past due event

- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization

- There is a disappearance of an active market for that financial asset because of financial difficulty

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

27 Financial instruments (cont'd)

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

(iii) Credit risk (cont'd)

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

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

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

The Group

	Note	Category	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				$'000	$'000	$'000
31 March 2019						
Trade receivables	13	Note 1	Lifetime ECL (simplified)	9,539	(9,539)	-
Other receivables	14	I	12-month ECL	3,491	(3,254)	237
Refundable deposits	14	I	12-month ECL	75	-	75
					(12,793)	
1 April 2018						
Trade receivables	13	Note 1	Lifetime ECL (simplified)	9,539	(9,539)	-
Other receivables	14	I	12-month ECL	5,975	(2,417)	3,558
Refundable deposits	14	I	12-month ECL	55	-	55
					(11,956)	

27 Financial instruments (cont'd)

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

(iii) Credit risk (cont'd)

The Company

	Note	Category	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				$'000	$'000	$'000
31 March 2019						
Other receivables	14	I	12-month ECL	1,795	(1,747)	48
Refundable deposits	14	I	12-month ECL	32	-	32
Amounts due from subsidiaries	15	I	12-month ECL	16,564	(15,878)	686
					(17,625)	
1 April 2018						
Other receivables	14	I	12-month ECL	4,277	(954)	3,323
Refundable deposits	14	I	12-month ECL	20	-	20
Amounts due from subsidiaries	15	I	12-month ECL	15,800	(15,088)	712
					(16,042)	

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.

Previous accounting policy for impairment of trade receivables

In 2018, the impairment of financial assets was assessed based on the incurred loss impairment model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively, to determine whether there was objective evidence that an impairment had been incurred but not yet identified.

The Group considered that there was evidence if any of the following indicators were present:

- Significant financial difficulties of the debtor;
- Probability that the debtor will enter bankruptcy or financial reorganisation; and
- Default or delinquency in payments (more than 90 days overdue).

27 Financial instruments (cont'd)

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

(iii) Credit risk (cont'd)

Previous accounting policy for impairment of trade receivables (cont'd)

Financial assets that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and cash equivalents that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are past due and/or impaired

Information regarding financial assets that are either past due or impaired are disclosed in Notes 13, 14 and 15 respectively.

28 Fair values of financial instruments

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

Fair value hierarchy

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

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

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

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

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

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

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

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

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

29 Subsequent events (cont'd)

Lodgment 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.

Based on the facts and evidences made available to them, the Company's external legal counsel has advised that they are not aware of any current litigation in which the Company is presently a party to.

30 Basis for Revision

Revising and re-filing of financial statements for FY2017 and FY2018

As announced on Singapore Exchange ("Exchange") on 10 April 2019, pursuant to the Accounting and Corporate Regulatory Authority ("ACRA")'s Financial Reporting Surveillance Programme, ACRA had issued a letter dated 5 April 2019 ("ACRA's Letter") under Section 202A of the Companies Act to the Company's directors, Mr Ku Vicente S. and Mr Andrew Coulton who were signatories of the FY 2018 audited financial statements ("FY 2018").

The former Board who authorized the FY 2018 financial statements comprised the following directors:

1.	Mr Andrew Coulton	(Non-Executive Non-Independent Chairman)
2.	Mr Ku Vicente S.	(Managing Director and CEO)
3.	Dr Michael Kuan-Chi Sun	(Executive Director)
4.	Madam Sri Tjintawati Hartanto	(Non-Executive Non-Independent Director)
5.	Mr Lye Meng Yiau	(Non-Executive Non-Independent Director)
6.	Mr Lai Chik Fan	(Non-Executive Non-Independent Director)
7.	Mr Fu Shu Sheen Edward	(Lead Independent Director)
8.	Mr Ng Hsian Pin	(Independent Director)
9.	Mr Li Man Wai	(Independent Director)
10.	Madam Cheung Kam Wa	(Independent Director)

The ACRA's Letter dated 5 April 2019 indicated that the Company had not complied with:

i. Paragraph 40 to 43 of Financial Reporting Standard (FRS) 28 Investments in Associates and Joint Ventures because the Company did not perform an impairment testing of its investment in joint venture, Hughes UnifiedNet Holding (China) Company Limited (HUH, now known as HUH Broadband Communication Company Limited), amounting to $30.186 million as at 31 March 2017, when there was objective evidence of impairment in FY2017.

ii. Paragraph 33 and 34 of FRS 28 Investments in Associates and Joint Ventures because the Company did not adjust for the effects of significant events or transactions that occurred between the financial year end (31 December) of the joint venture, HUH and the financial year end (31 March) of the Company, amounted to $0.706 million.

30. Basis for Revision (cont'd)

Revising and re-filing of financial statements for FY2017 and FY2018 (cont'd)

The ACRA's Letter dated 5 April 2019 indicated that the Company had not complied with: (cont'd)

iii. Paragraph 17 of FRS 39 Financial Instruments: Recognition and Measurement because the Company did not derecognise the loan receivable due from Ban Joo Investment Pte Ltd of $2.094 million when it entered into the Deed of Settlement (Deed) on 17 February 2017 and paragraphs 33 and AG36 of FRS 32 Financial Instruments: Presentation because the Company did not account for the Settlement Shares (own shares) of $1.14 million as a deduction from equity when it entered into the Deed on 17 February 2017. Subsequent to 17 February 2017, any gain or loss from the fluctuations in the share prices on its own shares should not be recognised in profit or loss (FY2017: gain of $14,000; FY2018: loss of $380,000).

iv. Paragraph 50 of FRS 39 Financial Instruments: Recognition and Measurement because the Company should not have reclassified the convertible notes amounting to HK$ 144 million (equivalent to $24 million) from available-for-sale financial assets to financial assets at fair value through profit and loss after initial recognition, in FY2016.

v. Requirements under sections 201(5) and 201(16), and the Twelfth Schedule of the Companies Act because the directors did not state whether the Group's consolidated financial statements give a true and fair view in the directors' statement. Instead, the directors had qualified its opinion by including the phrase "subject to the matters highlighted in the Independent Auditor's Report".

The ACRA's Letter stated that ACRA had considered the Company's responses on 29 November 2018 and the meeting on 31 January 2019.

Effects of Revision

The effects of the revision on the statements of financial position of the Group and the Company as at 31 March 2018, and the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of cash flow of the Group for the financial year ended 31 March 2018 are summarised below.

	As previously stated $'000	Adjustments $'000	As Revised $'000
For the Financial Year ended 31 March 2018:			
Consolidated Statement of Profit or Loss and Other Comprehensive Income			
Group			
Other expenses	(30,454)	28,534	(1,920)
Profit/(loss) for the year	(26,800)	28,534	1,734
Total comprehensive loss for the year	(27,128)	28,534	1,406
Earnings per share for profit attributable to equity holders of the Company			
- Basic and diluted	(0.4168)	0.4441	0.0273

30. Basis for Revision (cont'd)

Revising and re-filing of financial statements for FY2017 and FY2018 (cont'd)

	As previously stated $'000	Adjustments $'000	As Revised $'000
For the Financial Year ended 31 March 2018:			
Statements of Financial Position			
Company			
Investment in subsidiaries	26,584	(2,507)	24,077
Other receivables, deposits and prepayments	4,123	(760)	3,363
Settlement shares	-	(1,140)	(1,140)
Accumulated losses	(133,710)	2,127	(135,837)
Group			
Investment in joint venture	2,539	(2,539)	-
Other receivables, deposits and prepayments	4,393	(760)	3,633
Settlement shares	-	(1,140)	(1,140)
Accumulated losses	(126,653)	(2,159)	(128,812)
Consolidated Statement of Cash Flows			
Group			
(Loss)/ profit before tax	(27,523)	28,534	1,011
Adjustments for:			
- Impairment loss on joint venture	28,617	(28,154)	463
- Impairment loss on other receivables	1,318	(380)	938

31 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 2019 and 2018. The Group's overall strategy remains unchanged for the financial years ended 31 March 2019 and 2018.

32 Authorisation of financial statements

The financial statements of the Group and the statement of financial position of the Company for the financial year ended 31 March 2019 were authorised for issue in accordance with a resolution of the Directors dated 5 July 2019.

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 28 June 2019

Size of shareholdings	No. of shareholders	%	No. of Shares	%
1 – 99	16	0.15	612	0.00
100 – 1,000	1,174	10.95	1,148,157	0.02
1,001 – 10,000	3,344	31.18	15,867,654	0.25
10,001 – 1,000,000	5,761	53.73	856,406,875	13.33
1,000,001 and above	428	3.99	5,551,312,530	86.40
Total	**10,723**	**100.00**	**6,424,735,828**	**100.00**

Based on the information available to the Company as at 28 June 2019, approximately 67.6% 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 28 June 2019

No.	Name of shareholders	No. of shares	%
1	K&L Gates Straits Law LLC	1,074,100,000	16.72
2	UOB Kay Hian Pte Ltd	864,608,389	13.46
3	Citibank Nominees Singapore Pte Ltd	381,711,793	5.94
4	Wong Nam Sin	213,800,000	3.33
5	United Overseas Bank Nominees Pte Ltd	159,931,045	2.49
6	OCBC Securities Private Ltd	156,391,612	2.43
7	Miao Mingfeng	119,324,000	1.86
8	Maybank Kim Eng Securities Pte. Ltd	115,555,439	1.80
9	Morgan Stanley Asia (S) Securities Pte Ltd	107,759,000	1.68
10	DBS Vickers Securities (S) Pte Ltd	96,680,399	1.51
11	DBS Nominees Pte Ltd	87,686,865	1.36
12	RHB Securities Singapore Pte Ltd	85,752,766	1.33
13	Phillip Securities Pte Ltd	81,473,599	1.27
14	RSM (Ong Teck Beng - B981/2017)	79,400,000	1.24
15	Wong Kwan Seng Robert or Tan Cheng Kit Alice	76,000,000	1.18
16	CGS-CIMB Securities (Singapore) Pte Ltd	61,764,000	0.96
17	Lim & Tan Securities Pte Ltd	52,301,000	0.81
18	Yoong Ah Ling	51,453,000	0.80
19	Lim Chin Tong	50,000,000	0.78
20	Ng Kun Kuan	45,000,000	0.70
	Total:	**3,960,692,907**	**61.65**

INFORMATION ON SHAREHOLDING

Substantial shareholders

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

Notes:

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

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

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

4 Mr. Hady Hartanto is deemed to have an interest in 11,597,000 Shares held through Messrs K&L Gates Straits Law 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 held at SAFRA Mount Faber, Crystal Ballroom, 2 Telok Blangah Way, Singapore 098803 on Monday, 29 July 2019 at 10 a.m., to transact the following businesses:-

(A) ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the revised and re-issued audited financial statements for the financial year ended 31 March 2017 [See Explanatory Note (i)]. **(Resolution 1)**

2. To receive and adopt the Directors' Statement and the revised and re-issued audited financial statements for the financial year ended 31 March 2018 [See Explanatory Note (i)]. **(Resolution 2)**

3. To receive and adopt the Directors' Statement and the audited financial statements for the financial year ended 31 March 2019 together with the Auditors' Report thereon. **(Resolution 3)**

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

   (i) Dr Michael Kuan-Chi Sun (Regulation 91) [See Explanatory Note (ii)] **(Resolution 4)**

   (ii) Mdm Sri Tjintawati Hartanto (Regulation 91) [See Explanatory Note (iii)] **(Resolution 5)**

5. To approve the payment of Directors' Fees of S$205,000 for the financial year ended 31 March 2019 (2018: S$211,267). **(Resolution 6)**

6. To re-appoint Messrs RT LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 7)**

(B) SPECIAL BUSINESS

7. To consider and, if thought fit, to pass the following resolution as Ordinary Resolution, with or without amendments: **(Resolution 8)**

   General Share Issue Mandate

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

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

   (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require Shares to be issued during the continuance of such authority or thereafter, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Board may, in their absolute discretion, deem fit; and

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

provided that:

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

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

(aa) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

(bb) any subsequent consolidation or subdivision of shares;

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

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

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

Explanatory Notes:

(i) The ordinary resolutions 1 and 2 proposed in items 1 and 2 above, are to receive and adopt Directors' Statement and the revised and re-issued audited financial statements of the Company for the financial years ended 31 March 2017 and 31 March 2018 respectively. The revision of the financial statements for the financial years ended 31 March 2017 and 31 March 2018 were prompted by The Accounting and Corporate Regulatory Authority's Financial Reporting Surveillance Programme.

(ii) Detailed information on Dr Michael Kuan-Chi Sun can be found in the Company's annual report 2019. Mr Michael Kuan-Chi Sun will, upon re-election as a Director, remain as the Executive Director of the Company. Please refer to pages 21 to 25 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 Mdm Sri Tjintawati Hartanto can be found in the Company's annual report 2019. Mdm Sri Tjintawati Hartanto will, upon re-election as a Director, remain as Non-Executive Non-Independent Director of the Company. Please refer to pages 21 to 25 of the Annual Report for the detailed information required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST.

(iv) The Ordinary Resolution 8 proposed in item 7 above, if passed, will empower the Directors of the Company to issue shares up to 50% of the Company's issued share capital, with an aggregate sub-limit of 20% of the Company's share capital for any issue of shares not made on a pro-rata basis to shareholders of the Company.

BY ORDER OF THE BOARD

Dr Michael Kuan-Chi Sun
Executive Director

Date: 12 July 2019

Notes:

(i) A member of the Company entitled to attend and vote at the AGM may appoint not more than two (2) proxies to attend and vote instead of him.

(ii) Where a member appoints two (2) proxies, he shall specify the proportion of his shareholding to be represented by each proxy in the instrument appointing the proxies. A proxy need not be a member of the Company.

(iii) Intermediaries such as banks and capital markets services licence holders which provide custodial services and are members of the Company may appoint more than two proxies provided that each proxy is appointed to exercise the rights attached to different shares held by the member. Where such member appoints more than two (2) proxies, the number and class of shares to be represented by each proxy must be stated.

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

(v) The instrument appointing a proxy must be deposited at the Registered Office of the Company at 20 Collyer Quay, #01-02, Singapore 049319, not less than 48 hours before the time appointed for holding the AGM.

(vi) A Depositor's name must appear on the Depositor Register maintained by The Central Depositor (Pte) Limited as at 72 hours before the time fixed for holding the above Meeting in order for the Depositor to be entitled to attend and vote at the above Annual General Meeting.

Personal data privacy:

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

NGSC LIMITED

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

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 Annual General Meeting dated 12 July 2019.
"Personal data" in the proxy form has the same meaning as "personal data" in the Personal Data Protection Act 2012 ("PDPA"), which includes your and your proxy's and/or representative's name, address and NRIC/Passport No.

PROXY FORM

ANNUAL GENERAL MEETING

I/We*, ______________________ (Name) NRIC/Passport No.* ______________________ of

____ (Address)

being a shareholder/shareholders of **NGSC LIMITED** (the "Company") hereby appoint :

Name	**NRIC/Passport Number**	**Proportion of Shareholdings**	
		Number of Shares	**%**
Address			

and/or *

Name	**NRIC/Passport Number**	**Proportion of Shareholdings**	
		Number of Shares	**%**
Address			

or failing him/her, the Chairman of the Annual General Meeting (the "**AGM**") of the Company as my/our* proxy/proxies* to attend and to vote for me/us* on my/our* behalf at the AGM of the Company to be held at SAFRA Mount Faber, Crystal Ballroom, 2 Telok Blangah Way, Singapore 098803 on Monday, 29 July 2019 at 10 a.m., and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/their discretion.

	Please tick here if more than two proxies will be appointed (Please refer to note 3). This is only applicable for intermediaries such as banks and capital markets services licence holders which provide custodial services.

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

No.	**Ordinary Resolutions relating to:-**	Number of Votes For **	Number of Votes Against**
1.	Receive and adopt the Directors' Statement and the revised and re-issued Audited Financial Statements for the financial year ended 31 March 2017		
2.	Receive and adopt the Directors' Statement and the revised and re-issued Audited Financial Statements for the financial year ended 31 March 2018		
3.	Receive and adopt the Directors' Statement, Auditors' Report and Audited Financial Statements for the financial year ended 31 March 2019		
4.	Re-election of Dr Michael Kuan-Chi Sun as a Director of the Company		
5.	Re-election of Mdm Sri Tjintawati Hartanto as a Director of the Company		
6.	Approval of payment of Directors' Fees of S$205,000 for the financial year ended 31 March 2019		
7.	Re-appointment of Messrs RT LLP as Auditors		
8.	Authority to issue and allot shares pursuant to the General Share Issue Mandate		

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

Dated this ____________ day of ____________2019.

____
Signature(s) of Shareholder(s)/or
Common Seal of Corporate Shareholder

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

IMPORTANT: PLEASE READ NOTES OVERLEAF

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 the 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. A member of the Company who is not a relevant intermediary (as defined below) is entitled to appoint not more than two proxies to attend and vote at an AGM of the Company. Where such member appoints more than one proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy. If no percentage is specified, the first named proxy shall be deemed to represent 100 per cent. of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.
3. A member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at an AGM of the Company, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than one proxy, the number of shares in relation to which each proxy has been appointed shall be specified in the Proxy Form. In such event, the relevant intermediary shall submit a list of its proxies together with the information required in this proxy form to the Company.

   "**relevant intermediary**" means:

   (i) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity:

   (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds shares in that capacity; or

   (iii) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

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NGSC Limited
20 Collyer Quay
#01-02
Singapore 049319

4. The instrument appointing the a proxy or proxies must be deposited at the Company's registered office at 20 Collyer Quay, #01-02, Singapore 049319 not less than 48 hours before the time appointed for the AGM.
5. A proxy need not be a member of the Company.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies 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 a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
9. The submission of an instrument or form appointing a proxy by a member does not preclude him/her from attending and voting in person at the AGM if he/she so wishes.
10. The Company shall be entitled to reject the instrument appointing a proxy or proxies 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 or proxies. In addition, in the case of a member whose shares are entered against his/her 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 name in the Depository Register 72 hours before the time appointed for holding the AGM, as certified by the Depository to the Company.

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NGSC LIMITED | ANNUAL REPORT 2019

NGSC LIMITED

(Company Registration Number 196400100R)

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