



**NGSC Limited**

**Sustainability Report 2019**

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## Board's Message

The Board of Directors (the "Board" or the "Directors") of NGSC Limited ("NGSC", "our" or "the Company" and together with its subsidiaries, our "Group") is pleased to issue our 2<sup>nd</sup> Sustainability Report in line with the Singapore Exchange ("SGX") guidelines on Sustainability Reporting. We seek to provide stakeholders with a better understanding of our business and our approach to creating long-term value.

Today, the topic of sustainability has become even more pressing, fuelled by concerns on climate change, global economic volatility, concerns in business ethics and trust, growing social service needs and changing consumer expectations on the role of businesses. Increasingly, many of these environmental, social and governance ("ESG") issues are coming under scrutiny by stakeholders, including investors and regulators.

The Group's corporate values are professionalism, integrity, commitment and conviction. Incorporating sustainability as a key component of strategy is imperative for the Group. Considering the well-being of our employees, the environment and the societies we operate in are integral to sustainable growth and demonstrating leadership, passion, teamwork, integrity and strong ethics.

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

While we have made progress in our sustainability journey, we recognise that there are areas where we need to improve on. In our Sustainability Report next year, we will report on our achievements and undertake a new round of formal stakeholder engagement and materiality assessment. We hope to obtain valuable input and perspectives from stakeholders in helping to shape our sustainability agenda and strategy.

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

Yours sincerely,

***Dr. Michael Kuan-Chi Sun***  
***Executive Director***

## About This Report

Our report was prepared in adherence to the Rules of 711A and 711B of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”) – Sustainability Reporting Guide (the “SGX-Sustainability Reporting Guide”). We have also taken reference to the Global Reporting Initiative (“GRI”) Standards 2016 – Core option to allow comparison of our performance over the years. We have chosen to adopt the GRI Sustainability Reporting Standards as it is the most widely accepted global framework for voluntary corporate reporting of environmental and social performance. This report is also in line with SGX-ST’s ‘comply or explain’ requirements for sustainability reporting.

Our report focuses on the evaluation and measurement of our business performance in terms of ESG issues. In preparing this report, we have kept the same material sustainability topics identified in the financial year ended 31 March 2018 and identified strategies in response to our stakeholders’ expectations and interests. In articulating our approach, we have applied the GRI principles of accuracy, balance, clarity, comparability, reliability and timeliness.

Unless otherwise stated, our report continues to cover the operations in the investment holding company based in Singapore and on our investments outside of Singapore from 1 April 2018 to 31 March 2019. We have relied on our internal monitoring of data and verification to ensure accuracy. We have not sought external assurance for this report and we may consider doing so for future sustainability reports.

In line with our environmental conservation efforts, we will not be printing any hard copies of this report. A current electronic edition of this report is made available on the SGXNET and NGSC’s website. We welcome feedback and suggestion in relation to this Sustainability Report in writing to our principal place of business located at 96 Robinson Road #12-04 SIF Building, Singapore 068899.



## Company Information

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

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

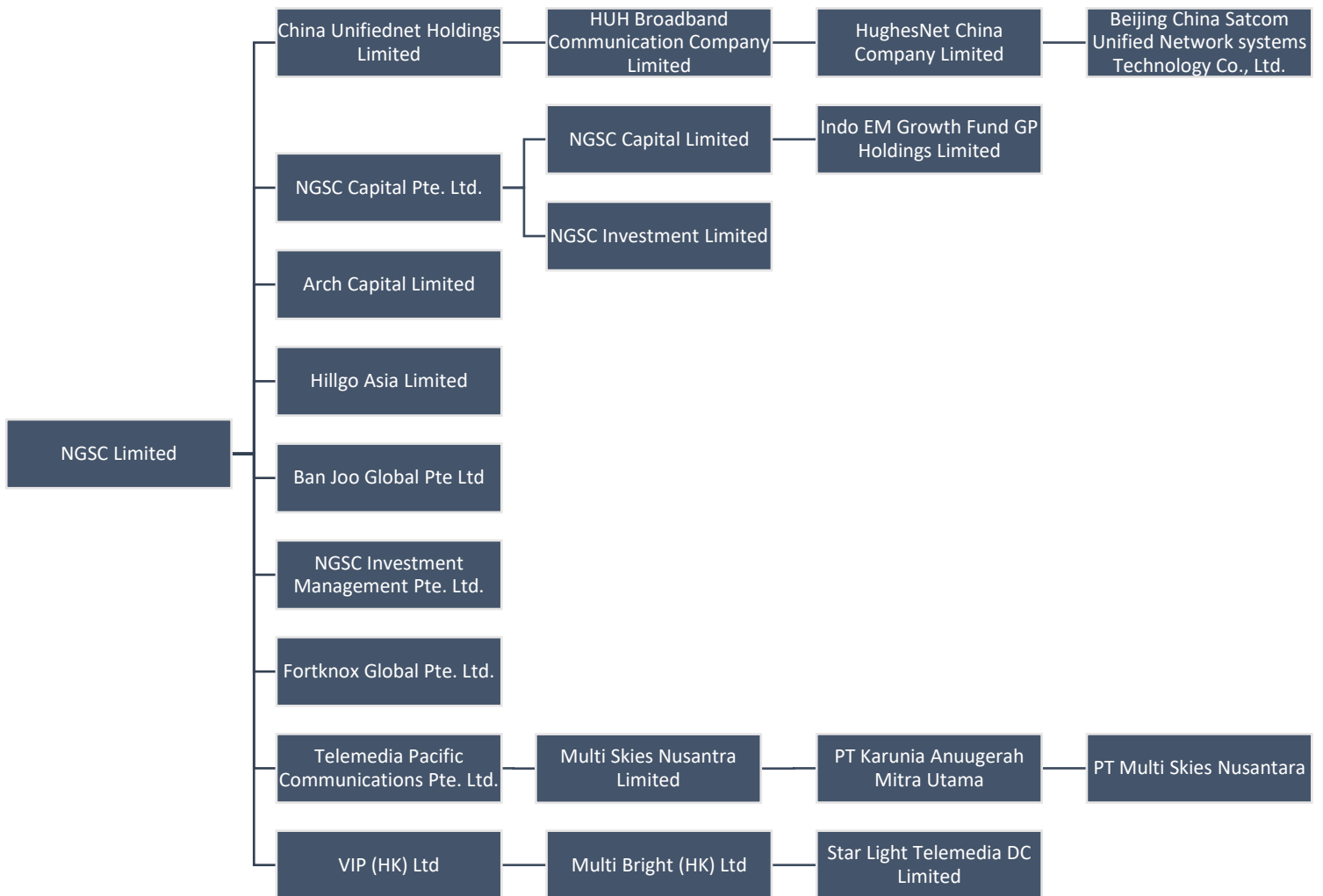
NGSC's headquarters is located in Singapore and made its entry into China and Indonesia through acquisition of subsidiaries, China Unifiednet Holdings Limited (CUH) and Multi Skies Nusantara Limited respectively.

In FY2019, we have seen a rise in our share of profit from our joint ventures, which was driven by the higher demand for equipment and services in the People's Republic of China. Other than the development of internet and satellite communication system technology and trading in satellite communication system devices, the Group will also seek a diversification strategy in order to avoid concentration of risks in one industry.

With long term shareholders value as our guiding policy, we are constantly exploring new investment opportunities via merging and acquisition of potential companies. NGSC's current investment footprints are in Singapore, Hong Kong, China and Indonesia. The group will continue to evaluate the soundness of its current business positioning, taking into account the impact of the Sino-US trade war.

Until such time when the Company can deploy its cash in profitable businesses, it shall be placed in interest bearing deposits with Singapore located banks. As the management take on a more proactive growth strategy, shareholders can expect improvement in returns on capital employed.

## Corporate Structure



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

## Our Vision

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

## Our Corporate Values



### Professionalism

We uphold high quality ethical standards and remain competent



### Commitment

We commit to support the interest of stakeholders



### Integrity

We maintain a sense of integrity, honesty and discipline



### Conviction

We provide innovative solutions to societies

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## Supply Chain Management

NGSC engages its business partners and subsidiaries in developing a sustainable supply chain for our existing business model. We assess factors such as their core values, expertise, financial performance and conformance to the government regulations. As an investment holding company, we work closely with our global subsidiaries in the field of trading financial derivatives as well as sharing responsibilities and risks.

Therefore, it is a sustainability measure to identify, monitor and manage risks and opportunities in our supply chain. We also ensure that all Directors and Executive Officers are independent and are not in financial contract with potential investment companies.

## Geographical Expansion and Growth

NGSC has expanded its footprint into different countries in the Asia region. NGSC has performed trading of derivatives through its subsidiaries to countries such as Hong Kong, Cayman Islands and British Virgin Islands.

## Membership of Association

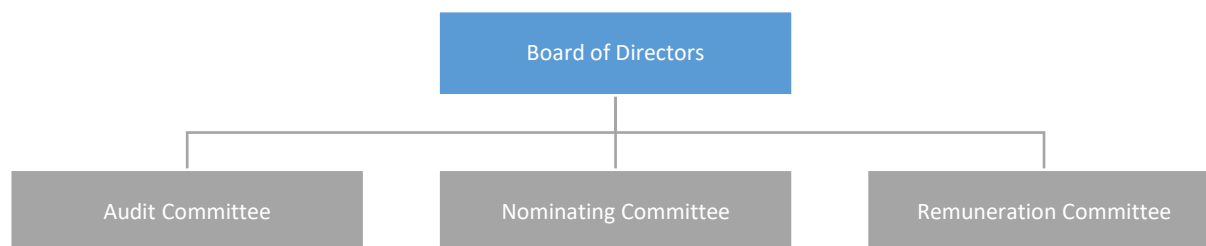
NGSC is a member of the Singapore Institute of Directors and the Singapore Business Federation and these memberships has provided a platform for our Directors and selected employees to network and to explore potential commercial opportunities with fellow members. NGSC reviews the need to participate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

## External Initiatives

Due to the nature of business operations within NGSC, and that our corporate structure is lean as we are an investment holding company, external initiatives may not achieve the intended effect as our headcount is small. Notwithstanding that, NGSC is also aware of the need to demonstrate our commitment to sustainability-related causes. In that regard, the Company plans to review any relevant opportunities and aims to participate in external initiatives for our next sustainability report.



## Governance Structure



### 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)

### Audit Committee

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

### 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

We have clear and effective governance structure in place that supported by policies, standards, practices and guidelines. Our corporate governance structure comprise Independent and Non-Independent Directors who oversee and monitor political, operational and environmental trends and risks that could affect business activities. In NGSC, key management personnel are responsible for managing and monitoring our sustainability practices and the Board is updated on any material developments. There are frequent discussions on key issues in sustainability such as overall implementation, stakeholder engagement, materiality topics, strategic planning, goal setting and implementation performance.

## Our Sustainability Approach

### Stakeholder's Engagement

We have regular reviews, assessments and feedback on ESG topics. We are continuously improving the adequacy and effectiveness of our risk assessment processes in response to the changing business and operating environments. Through regular stakeholder engagement, we identify and review material issues that are most relevant and significant to us and our stakeholders. We prioritise the sustainability issues that are material to the business and stakeholders.

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

*Table 1: Our Approach on Stakeholder's Engagement*

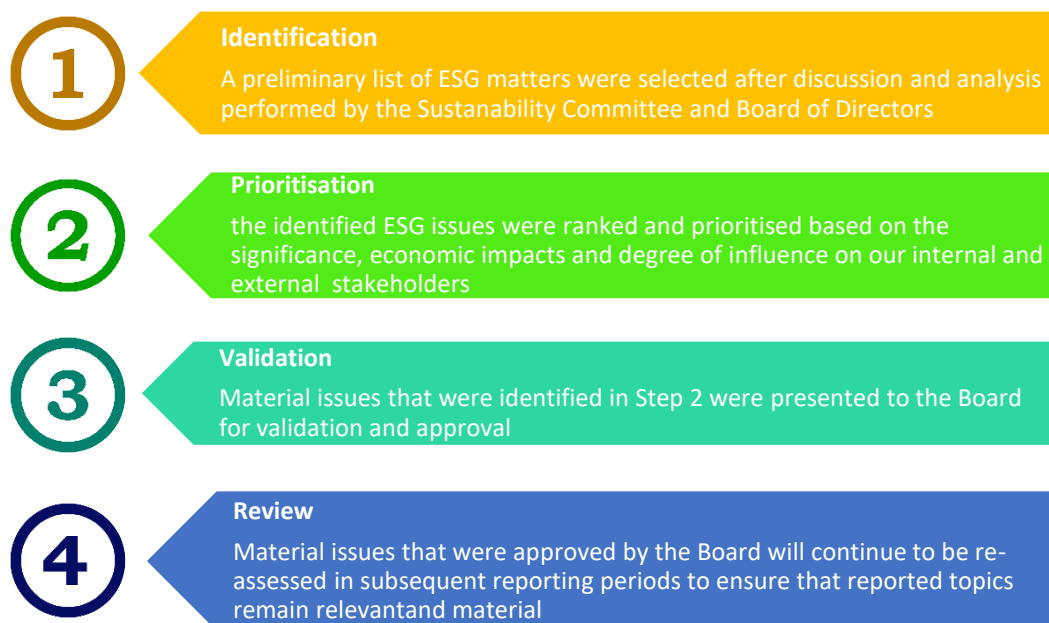
Stakeholders	Mode of Engagement	Stakeholder's Expectations
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Interviews and orientation programmes</li> <li>• Staff appraisals</li> <li>• Training and development programs</li> </ul>	<ul style="list-style-type: none"> <li>• Staff rights</li> <li>• Safety and wellness</li> <li>• Environmental responsibility</li> </ul>
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>• Annual general meeting</li> <li>• Annual reports</li> <li>• Conference and circulars to shareholders in SGX</li> </ul>	<ul style="list-style-type: none"> <li>• Profitability transparency</li> <li>• Timely reporting</li> </ul>
<b>Business partners</b>	<ul style="list-style-type: none"> <li>• Regular meetings and discussions</li> </ul>	<ul style="list-style-type: none"> <li>• Partnership for opportunities and growth</li> </ul>
<b>Government and regulators</b>	<ul style="list-style-type: none"> <li>• Discussions with regulators</li> <li>• Collaboration on community investment projects</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental-friendly business approach</li> <li>• Compliance with regulations</li> </ul>

### Identifying Material Sustainability Topics

In FY2019, we have assessed the ESG issues previously identified in FY2018 through continuous internal and external stakeholder engagement and conclude that they continue to be relevant to our business and stakeholders, no additional material sustainability topic to be included in this report.

We continue to understand their concerns and undertook a comprehensive materiality assessment following leading practices outlined in the GRI. Going forward, we will continue to evaluate and review our material ESG topics with our stakeholders to ensure their relevance to us, in compliance with GRI and to achieve sustainability targets.

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



NGSC regularly engages our external and internal stakeholders to determine our material focus areas. For more details of the sustainability topics, refer to *Table 2: List of sustainability topics*

*Table 2: List of sustainability topics*

S/N	GRI Standards	Topics	Description	Reference	Commitments & Targets
1	GRI 200: Economic	Anti-corruption	Our practices to comply with anti-corruption law and regulations and to demonstrate our adherence to integrity, governance, and responsible business practices	Sustainability Report 2019 Page 12	Continue adhering to the Company's policy on zero tolerance towards fraud, corruption and unethical actions.
2	GRI 404: Social	Training and Education	Our approach ensuring all employees are trained and enhanced their skill sets. Performance and career development reviews to assess their employability	Sustainability Report 2019 Page 14	Increase total training hours per employee and total training investment of \$20,000.
3	GRI 418: Social	Customer Privacy	Our approach ensuring security and confidentiality of our database and customer information	Sustainability Report 2019 Page 15	Uphold highest standards of customer data privacy protection and ensure compliance to Company's PDPA policy.

## Material Sustainability Topics



### Anti-Corruption

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

### Whistle Blowing Policy

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

## Material Sustainability Topics (cont'd)



### Conflict of Interest

In FY2019, NGSC require all employees to disclose situations where we placed are in a conflict of interest situation or involved in one, which could potentially lead to a conflict of interest. All employees including the management team and the Board are required to make declarations on any existing and potential interest in companies and the nature of the interest on an annual basis and update when appropriate voluntarily. The Code of Conduct is intended to focus employees, management and directors on our Values of Integrity and Respect for People, help them recognise and make informed decisions on ethical issues, assist in creating a culture of the highest ethical and business standards, and provide mechanisms to report unethical conduct.

### Risk Management

Risk management is considered as a strategic activity within NGSC and our ability to manage risks create opportunities as well. Corporate-level identification and management of risk is accomplish by using an Enterprise Risk Management approach. The Board of Directors is responsible for overseeing the overall risk management process. The Board has identified, reviewed and updated the enterprise-risk assessment accordingly in FY2019. Committees of the Board and the Board as a whole participate in the oversight of the process. The Audit Committee ensures there is a risk management process and implemented accordingly. Responsibility for managing risk rests with executive management.

## Material Sustainability Topics (cont'd)

### Training and Education

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

On average, each employee has clocked 40 hours of training in 2019 and key management has completed 6 leadership training sessions. In addition, there were 2 new employees who participated in 2 training programmes.

Within FY2019, 100% of our employees received an Annual Performance Review and have a performance rating in the system. Employees were encouraged to reflect on their performance over the financial year. During the employee appraisals, we recognise every employee for their valuable contributions at work, identify areas of improvement and set achievable targets for the next review period.



## Material Sustainability Topics (cont'd)

### Customer Privacy

Safeguarding our stakeholders' and shareholders' data is of paramount importance to our Group and we are committed to maintain utmost privacy and security of their personal data. We conduct our business in compliance with our local regulators, the Personal Data Protection Council ("PDPC") in line with requirements under the Personal Data Protection Act ("PDPA"), which governs the collection, use, disclosure and care of personal data.

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

- Include aspects of compliance to PDPA when developing and implementing policies and processes for handling personal data;
- Disseminate data protection policies to all employees through shared drives and cultivate culture on compliance within the investment holding company;
- Manage personal data protection related queries and complaints from the shareholders within our Group;
- Alert management to any risks that might arise with regard to personal data; and
- Report any data protection matters to Personal Data Protection Commission ("PDPC"), where necessary.

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

In FY2019, there were no substantiated complaints concerning breaches of privacy and loss of customer data. Moving forward, our Group targets to handle customer data responsibly in a secure operating environment as well as ensuring data are not being used for other purposes without adequate authorisation.

## Global Reporting Initiative (GRI) Content Index

GRI Standard/ Disclosure		Page Reference and Reasons for Omission, if applicable
<b>Organisational Profile</b>		
102-1	Name of the organisation	Sustainability Report ("SR"): Page 1
102-2	Activities, brands, products and services	SR: Page 3
102-3	Location of headquarters	SR: Page 3
102-4	Location of operations	SR: Pages 3
102-5	Ownership and legal form	SR: Page 4
102-6	Markets served	Annual Report ("AR"): Page 19
102-7	Scale of the organisation	SR: Page 3 AR: Page 35 and 36
102-8	Information on employees and other workers	SR: Page 3
102-9	Supply chain	SR: Page 5
102-10	Significant changes to the organization and its supply chain	N.A. There were no significant changes to the organisation's size, structure, ownership or supply chain in FY2019.
102-11	Precautionary Principle or approach	SR: Page 13
102-12	External initiatives	SR: Page 5
102-13	Membership of associations	SR: Page 6
<b>Strategy</b>		
102-14	Statement from senior decision maker	SR: Page 1
<b>Ethics and Integrity</b>		
102-16	102-16 Values, principles, standards, and norms of behaviour	SR: Page 5
<b>Governance</b>		
102-18	102-18 Governance structure	SR: Page 7 and 8 AR: Page 5 to 20
<b>Stakeholder Engagement</b>		
102-40	List of stakeholder groups	SR: Page 9 to 11
102-41	Collective bargaining agreements	N.A. The management has not adopted any collective bargaining agreement
102-42	Identifying and selecting stakeholders	SR: Page 9 to 11
102-43	Approach to stakeholder engagement	SR: Page 9 to 11
102-44	Key topics and concerns raised	SR: Page 9 to 11
<b>Reporting Practice</b>		
102-45	Entities included in the consolidated financial statements	SR: Page 3 AR: Page 35 to 40
102-46	Defining report content and topic boundaries	SR: Page 2
102-47	List of material topics	SR: Page 10 and 11
102-48	Restatements of information	N.A. There was no restatement of information.
102-49	Changes in reporting	N.A. This was no changes in reporting.
102-50	Reporting period	SR: Page 2
102-51	Date of most recent report	11 July 2019
102-52	Reporting cycle	SR: Page 2

## Global Reporting Initiative (GRI) Content Index (cont'd)

GRI Standard/ Disclosure		Page Reference and Reasons for Omission, if applicable
102-53	Contact point for questions regarding the report	SR: Page 2
102-54	Claims of reporting in accordance with the GRI Standards	SR: Page 2
102-55	GRI content index	SR: Pages 16 and 17
102-56	External assurance	SR: Page 2
<b>GRI 103 Management Approach 2016</b>		
103-1	Explanation of the material topic and its boundaries	SR: Page 9 to 15
103-2	The management approach and its components	SR: Page 9 to 15
103-3	Evaluation of the management approach	SR: Page 9 to 15
<b>GRI 205 Anti-corruption</b>		
205-1	Operations assessed for risks related to corruption	SR: Page 12 and 13
205-2	Communication and training about anti-corruption policies and procedures	SR: Page 12 and 13
205-3	Confirmed incidents of corruption and actions taken	SR: Page 12 and 13
<b>GRI 404: Training and Education</b>		
404-1	Average hours of training per year per employee	SR: Page 14
404-2	Programs for upgrading employee skills and transition assistance programs	SR: Page 14
404-3	Percentage of employees receiving regular performance career development reviews	SR: Page 14
<b>GRI 418 Customer Privacy 2016</b>		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	SR: Page 15