

19 May 2021

NGSC Limited  
20 Collyer Quay #01-02  
Singapore 049319

**Attention: Board of Directors**

Dear Sirs

**Director's Representations Pursuant to Section 152(3) of the Companies Act**

1. I refer to the shareholders requisition notice dated 29 April 2021 (the "**Requisition Notice**") received by NGSC Limited ("**NGSC**" or the "**Company**") on 30 April 2021, requiring that the Company convene an extraordinary general meeting ("**EGM**") for the purpose of passing a resolution to remove me as an Independent Director of the Company. I also refer to the announcement made on SGXNet on 30 April 2021 relating to the Requisition Notice.
2. Pursuant to Section 152(3) of the Companies Act, Chapter 50 ("**Companies Act**"), I hereby set out my representations.

**No reason given for seeking my removal**

3. First, I would note that the Requisition Notice was signed by 21 minority shareholders plus Telemedia Pacific Group Limited ("**TPG**"). TPG is the controlling shareholder of the Company. No reason was stated in the Requisition Notice as to why the said shareholders are seeking my removal. I have not met any of these minority shareholders. I have had video calls (attended together with other people) with Mr Hady Hartanto, a director of TPG. Mr Hartanto (the only person I know at TPG) did not communicate with me personally regarding the Requisition Notice.
4. Mr Hartanto is a director of TPG (the controlling shareholder of NGSC), the Executive Director of HUH (as described in paragraph 14 below) and a director of HCH (as described in paragraph 18.2 below).
5. After the Requisition Notice was provided to me, I asked for the reasons for seeking my removal but none has been given to date. Since no reason has been provided to me, whether in writing or orally, I am in the dark as to why these shareholders are seeking to remove me. I am therefore unable to address, for the benefit and consideration of the shareholders of NGSC, any such reasons (if they exist).
6. Nonetheless, as part of my representations for the shareholders' consideration, I set out below relevant information including the background of my appointment as well as how I have discharged my duties. I would like to stress that I have properly and conscientiously discharged my duties and obligations as an Independent Director of NGSC and continue to do so, notwithstanding the Requisition Notice.

### Background of my appointment

7. I was introduced to NGSC in June 2020 by Mr Ong Tiang Lock ("**OTL**"). OTL was at that time the Lead Independent Director of NGSC, and a member of the Audit Committee, Remuneration Committee and Nominating Committee. At that time, the Company was (and still is) on the SGX Watch-list.
8. During a preliminary video meeting on 30 June 2020 with OTL, Mdm Sri Tjintawati Hartanto ("**Ptjin**"), a Non-Executive, Non-Independent Director of NGSC, and Mr Hartanto, it was discussed that, in view of my legal background and qualifications, I would as an Independent Director be able to assist with a restructuring proposal should the SGX support such a proposal, or (should the SGX not support such a proposal) assist the Company through an orderly exit.
9. Subsequently, following a formal interview (via video) with the Nominating Committee (which at that time comprised OTL, Ptjin and Mr Chew Chin Wee ("**CCW**")) on 3 July 2020, I was appointed as an Independent Director of NGSC on 6 July 2020.

### Resignation of fellow Independent Directors

10. At the time of my appointment, I was one of three Independent Directors, with the other two being OTL and CCW.
11. That the role of an Independent Director of NGSC is a challenging one can be seen from the fact that both OTL and CCW have since resigned.
12. OTL resigned as Lead Independent Director of NGSC on 17 November 2020. The reasons for his resignation cited in his resignation letter were: (i) inadequate resources to assist the directors in ensuring due diligence and compliance; (ii) disagreement with the management's practice to favour a certain shareholder; and (iii) interference of spouse of controlling shareholder.<sup>1</sup>
13. CCW resigned as Independent Director of NGSC on 20 April 2021. The reasons for his resignation cited in his resignation letter were: (i) unable to provide necessary time commitment required for role of Independent Director of NGSC Ltd, given complexity of NGSC Group entity structure; (ii) inadequate resources to assist directors in ensuring due diligence, corporate governance and compliance; and (iii) disagreement with the management's practice to favour a certain shareholder.<sup>2</sup>

### Proper and conscientious discharge of my director's duties

14. NGSC is primarily an investment holding company. It essentially only has two management personnel, Dr Michael Kuan-Chi Sun (Executive Director, based in the People's Republic of China) and Mr Koit Ven Jee (Financial Controller, based in Singapore). Its subsidiaries are not actively conducting business activities and its joint venture associated company, HUH Broadband Communication Company Limited ("**HUH**"), has its own management and staff.

<sup>1</sup> Further details can be found in the SGX announcement submitted by NGSC on 17 November 2020, and NGSC's responses to SGX Queries on 30 November 2020.

<sup>2</sup> Further details can be found in the SGX announcements submitted by NGSC on 26 April 2021 and 30 April 2021 (the second announcement is a replacement announcement made to rectify CCW's effective date of resignation to be 20 April 2021).

15. Given the Company's limited personnel resources, the Independent Directors often had to expend considerable time and effort to assist the Company. This was one of the reasons cited by both OTL and CCW for their respective resignation. The situation since 17 November 2020 (when OTL resigned) has not improved. In fact, since no replacement independent director was appointed for over five months since OTL's resignation, the workload on the two remaining Independent Directors has increased. (I note that the Company has since announced on 26 April 2021 the appointment of Mr Lee Chia Sin as an Independent Director, and on 8 May 2021 the appointment of Mr Mahtani Bhagwandas as an Independent Director and Chairman of the Audit Committee of the Company.)
16. Since I was appointed Independent Director on 6 July 2020 (about 10 months ago), I have attended more than 36 scheduled Board meetings/conference calls, both internal (Board members) and external (Board members with external advisers (e.g. legal advisers, auditors, valuers, financial advisers), SGX and/or counterparties). This is, of course, in addition to the need for preparatory and follow-up calls and work (review of drafts and documents, email correspondence, etc.).
17. I would also like to state, for the record, that I have not received any financial remuneration from the Company.
18. For completeness and to illustrate to the shareholders the independence of, and discharge by, the Independent Directors of their duties, I would like to refer to two instances where, when the matters first came before the Board, I (and my then fellow Independent Directors) had robust discussions with the management and the other directors of the Company (who are not Independent Directors). Following such discussions, it was eventually agreed that the Company would proceed in the manner which the Independent Directors felt to be appropriate. I mention these two instances as they have been publicly announced.

#### 18.1 Full Audit for Half Year Results (30 September 2020)

Management advised the Board in October 2020 that there was an indication that the carrying value of the Company's investment in its joint venture (i.e. the HUH group) as at 30 September 2020, may be significantly impaired. To assess the carrying value, the Company would seek an updated valuation report from an independent valuer. The view of the Independent Directors was that the half year financial statements should be fully audited in light of the re-assessment of the carrying value of the Company's investment in its joint venture.<sup>3</sup> After discussions between the directors (including the Independent Directors), the re-valuation exercise was carried out. Consequent to the re-valuation exercise, the value of HUH group as a whole went from S\$41 million as at 31 March 2020<sup>4</sup>, to S\$0 as at 30 September 2020<sup>5</sup>.

#### 18.2 Demand Letter received from Joint Venture Partner

China UnifiedNet Holdings Limited ("**CUH**"), a wholly-owned subsidiary of NGSC, received a demand letter on 26 January 2021 from HCH Group Company Limited ("**HCH**"), for the

<sup>3</sup> Further details regarding the request for a full audit of the half year results can be found in the SGX announcement submitted by the Company on 13 November 2020.

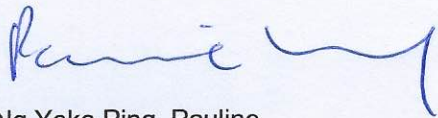
<sup>4</sup> See pages 73 to 77 of the Annual Report of the Company for the financial year ended 31 March 2020, where the 55% interest held by the NGSC group in HUH is stated to be S\$22.7 million.

<sup>5</sup> See page 10 of the half year results announcement submitted by the Company on 29 January 2021.

advance of its proportionate shareholders' loan of US\$1.76 million.<sup>6</sup> HCH is the joint venture partner that owns 45% of HUH. After discussions between the directors (including the Independent Directors), it was eventually decided that the Company would seek independent legal advice in respect of the demand letter.

19. As illustrated above, I consider that I have always acted properly as Independent Director of the Company and have discharged, and will continue to discharge, my director's duties conscientiously.
20. In accordance with Section 152(3) of the Companies Act, please notify the members of the Company of my representations as set out in this letter as soon as possible. I request that this be done by way of an immediate announcement on SGXNet which reproduces my letter in its entirety and by sending a copy of this letter to every member of the Company.

Yours faithfully



Ng Yoke Ping, Pauline

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<sup>6</sup> Further details relating to the demand letter can be found in the SGX announcement submitted by NGSC on 28 January 2021.