

## NGSC LIMITED

Company Registration No.196400100R

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### RESPONSES TO SGX QUERIES

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The Board of Directors of NGSC Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to inform shareholders that the Company has received the following queries from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and sets out its responses as follows:

**Query:**

We refer to the Company's announcement dated 17 November 2020 concerning the resignation of Mr. Ong Tiang Lock as the Lead Independent Director, Chairman of the Nominating Committee and Remuneration Committee and Member of the Audit Committee, effective from 17 November 2020

- (i) The "Detailed Reason(s) for cessation is stated to be: "1. Inadequate resources to assist the directors in ensuring due diligence and compliance; 2. Disagreement with the management's practice to favour a certain shareholder; and 3. Interference of spouse of controlling shareholder." Please elaborate on each of these reasons.
- (ii) Please explain the circumstances leading to the resignation of Mr. Ong Tiang Lock effective from 17 November 2020. It is noted that Mr. Ong Tiang Lock was the Lead Independent Director and his date of appointment was on 29 May 2020.
- (iii) Please clarify what the current composition of the Audit Committee is, following the resignation of Mr. Ong Tiang Lock as a member of the Audit Committee.
- (iv) Please provide the Board and Nominating Committee's assessment as to whether the Audit Committee is able to adequately and function following his resignation, and the basis for their views.
- (v) Listing Rule 704(8) states:

*"Any appointment or reappointment of a director to the audit committee. The issuer must state in the announcement whether the board considers the director to be independent. The issuer must also provide such additional disclosure as may be appropriate in the circumstances to enable its shareholders to assess the independence or otherwise of the appointed director. In the event of any retirement or resignation which renders the audit committee unable to meet the minimum number (not less than three) the issuer should endeavour to fill the vacancy within two months, but in any case not later than three months." (emphasis added)*

Please clarify what the Company's proposed action steps are in ensuring its compliance with Listing Rule 704(8).

- (vi) Please provide the current composition of the Board.

**Company's responses:**

(i) Elaboration:

1. Inadequate resources to assist the directors in ensuring due diligence and compliance

Mr Ong Tiang Lock ("Mr Ong") had taken the view that the Executive Director of the Company is short handed in relation to the conduct of the affairs of the Company, which included the audit of the half year financial statements of the Company for the financial period ended 30 September 2020. As a result of this, the Independent Directors had to undertake additional responsibilities which Mr Ong did not find to be customary or expected of an Independent Director in fulfilling his obligation of diligence to the Company. The Company has taken note of this and is currently engaging various third parties to assist the Executive Director and the management on those matters.

2. Disagreement with the management's practice to favour a certain shareholder

Mr Ong had formed the view that the management had been favouring a certain shareholder. Mr Ong's view in this regard was based on two incidents:

(a) Mr Ong believed that the shareholder was being allowed to be involved in the Company's appointment of legal counsel in Hong Kong. As a result of the concerns raised by Mr Ong and other directors of the Company in this regard, the Company did not eventually engage the legal counsel whom Mr Ong believed to have a close relationship with a director of the shareholder.

(b) Mr Ong believed that the shareholder was being made aware of information pertaining to the valuation of a joint venture by the management of the Company. The Company has since confirmed that such information was instead known to a director of the shareholder because he was himself a director of the joint venture entity.

3. Interference of spouse of controlling shareholder

Mr Ong had notified the Board of Directors (the "Board") that the spouse of the controlling shareholder of the Company had raised her voice at Mr Ong's spouse at a lunch meeting in respect of the manner in which Mr Ong had performed his role as a Director of the Company, including making allegations that Mr Ong had acted in a manner which was against the interests of the controlling shareholder. The Board is not privy to this personal incident between Mr Ong's spouse and the spouse of the controlling shareholder, and the Board / the Company does not have any control over the conduct of the spouse of the controlling shareholder.

(ii) Please refer to the Company's response in (i) above.

(iii) The current composition of Audit Committee is as follows: -

Mr Chew Chin Wee	(Chairman, Independent Director)
Mdm Sri Tjintawati Hartanto	(Member, Non-Executive Non-Independent Director)

(iv) The Audit Committee members have full access to and co-operation of the management and external auditors of the Company. The external auditors have unrestricted access to the Audit Committee members. The members of the Audit Committee are able to communicate by means of telephone conference or similar communication tools with all parties. The Board will reconstitute the Board Committees or appoint a new Audit Committee member of the Company as soon as possible, within 2 months from 17 November 2020.

(v) The Company will reconstitute the Board Committees or appoint a new Audit Committee member of the Company within two months from 17 November 2020.

(vi) The current composition of the Board is as follows:

Dr Michael Kuan-Chi Sun	(Executive Director)
Mdm Sri Tjintawati Hartanto	(Non-Executive Non-Independent Director)
Ms Wang Xiao Zheng	(Non-Executive Non-Independent Director)
Mr Chew Chin Wee	(Independent Director)
Ms Ng Yoke Ping, Pauline	(Independent Director)

By Order of the Board

Michael Kuan-Chi Sun  
Executive Director  
30 November 2020