NGSC LIMITED

Company Registration No.196400100R

RESPONSES TO SGX QUERIES

The Board of Directors of NGSC Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to queries raised by the Singapore Exchange Securities Trading Limited ("**SGX**") on the Company's announcement on 17 December 2019 titled "Entry into Joint Venture by NGSC Limited" ("**Announcement**") and the Company's responses are set out below.

Unless otherwise defined, all capitalized terms used herein shall bear the same meanings ascribed to them in the Announcement.

1. **Query 1:**

   Paragraph 3 of the Announcement

   What is the amount of the Company's contribution to the joint venture company's share capital?

   Company's response:
   In accordance with the JVA, the capital contribution by the Company shall be S$51,000, in consideration for the allotment and issue by the joint venture company to the Company of 51,000 new ordinary shares in the joint venture company's issued and paid-up share capital.

   The Company wishes to highlight again that the JVA is conditional upon certain conditions precedent being fulfilled, including, inter alia, the grant by the SGX-ST of an extension of time or moratorium of one (1) year in respect of the delisting of the Company (the "**CPs**"). As such, the JVA will only take effect, and the Company's obligation to inject the abovementioned initial capital contribution in the JVA shall only arise, upon the fulfilment of the CPs.

2. **Query 2:**

   Paragraph 5 of the Announcement

   What is the basis for the expectation that the joint venture company would be able to achieve annual audited net profit after tax of no less than S$10,000,000 in the first two years?

   Company's response:
   The Company wishes to clarify that the agreement between the Company and the JV Partner to work towards the targeted annual audited net profit after tax of no less than S$10,000,000 for the JVC is on a "best endeavours" basis. Notwithstanding this, the Company understands from the JV Partner that the joint venture company is in the process of securing some contracts for the provision of telecommunication related supply-chain management technical, operation and procurement services in the People's Republic of China. Upon the JVA taking effect and the subscription of shares by the Company in the joint venture company, the Company will make the necessary announcement(s) to keep the shareholders updated as and when contracts are secured by the joint venture company.

By Order of the Board

Lye Meng Yiau
Managing Director
20 December 2019