**NGSC LIMITED**
Company Registration No. 196400100R

**UPDATE ON THE DIRECTED DELISTING AND POTENTIAL EXIT OFFER**

**APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

**NOTIFICATION OF CASH COMPANY STATUS PURSUANT TO RULE 1018 OF THE LISTING MANUAL**

## 1. UPDATE ON THE DIRECTED DELISTING AND POTENTIAL EXIT OFFER

The Board of Directors (the "**Board**") of NGSC Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the announcements made by the Company on, *inter alia*, 3 December 2019, 1 June 2020, 12 August 2020, 29 January 2021 and 11 February 2021 in relation to the directed delisting of the Company from the Main Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), and the requirement for the Company or its controlling shareholder(s) to make an exit offer to the shareholders pursuant to Rules 1306 and 1309 of the Listing Manual of the SGX-ST (the "**Listing Manual**").

As announced by the Company on 3 December 2019, the Company had on 3 December 2019 received a Notification of Delisting (the "**Notification**") from the SGX-ST. The following was stated in the Notification:

(a) The Company has not met the requirements under Rule 1314 of the Listing Manual for its removal from the Watch-list and hence, the SGX-ST will proceed to delist the Company pursuant to Rule 1315 of the Listing Manual.

(b) Pursuant to Rule 1306 of the Listing Manual, the Company or its controlling shareholder(s) must comply with Rule 1309 of the Listing Manual which requires the Company or its controlling shareholder(s) to provide a reasonable exit offer to shareholders. The Company shall inform the SGX-ST on the exit offer proposal as soon as practicable and no later than one month from the date of the Notification. The Company shall provide updates via SGXNET on the status of the Company's exit offer proposal.

(c) Trading in the Company's securities will continue until 5.16 pm, 2 January 2020 and the trading will be suspended from 9 am, 3 January 2020 until completion of the exit offer, following which the Company will be delisted.

The Board wishes to announce that the directors of the Company ("**Directors**") are presently considering the viability of undertaking an exit offer by way of a court-approved selective capital reduction by the Company (a "**Selective Capital Reduction**"), where the shares ("**Shares**") held by the shareholders of the Company ("**Shareholders**") (except those shares held by Telemedia Pacific Group Limited (the "**Controlling Shareholder**") and its associates, representing approximately 26.09% of the total number of Shares as at the date of this Announcement) would, subject to Shareholders' approval and court approval (amongst other things), be cancelled in return for cash (the "**Potential Exit Offer**").

If the Potential Exit Offer is carried out by way of a Selective Capital Reduction, the Company intends to seek Shareholders' approval for the Selective Capital Reduction in accordance with the provisions of the Companies Act (Cap. 50).

**At this juncture, no firm decision has been made on the terms of any exit offer proposal (including price per share or any other terms) and Shareholders should await a firm announcement of any exit offer (if and when made), including without limitation the Potential Exit Offer.**

**The Company will keep Shareholders informed of any material developments in this regard, and will make such further announcements as and when appropriate.**

## 2. APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

In connection with the above, Provenance Capital Pte. Ltd. has on 18 May 2021 been appointed by the Company as the independent financial adviser (the "**Independent Financial Adviser**") to advise the Directors who are considered independent for the purposes of any Potential Exit Offer (the "**Independent Directors**"), pursuant to Rule 1309(2) of the Listing Manual.

In accordance with Rule 1309(2) of the Listing Manual, the Independent Financial Adviser must opine that the Potential Exit Offer is both fair and reasonable.

## 3. NOTICE OF COMPLIANCE FROM THE SGX-ST

The Board further wishes to inform Shareholders that the Company has received a notice of compliance dated 18 May 2021 (the "**Notice**") from the SGX-ST noting (amongst others) that on 11 February 2021, the Company released its unaudited financial statements for the third quarter ended 31 December 2020. The Company's cash and cash balances was S$13,910,000, representing approximately 85.5% of the Company's total assets of S$16,266,000 as at 31 December 2020.

As stated in the Notice, Rule 1018 of the Listing Manual provides that if the assets of an issuer consist wholly or substantially of cash or short-dated securities ("**Cash Company**"), the issuer must, *inter alia*, place 90% of its cash and short-dated securities (including existing cash balance and the consideration arising from the disposal(s) undertaken by the issuer) in an account opened with and operated by an escrow agent, which is part of any financial institution licensed and approved by the Monetary Authority of Singapore. The amount that is placed in the escrow account cannot be drawn down except for the purpose of making the exit offer to shareholders. The Company is also required to provide a monthly valuation of the Group's assets and utilization of cash.

## 4. CASH COMPANY STATUS

Pursuant to the Notice, the Company is deemed a Cash Company with immediate effect.

Pursuant to Rule 1018 of the Listing Manual and the Notice, the Company must:

(a) Place at least 90% of its cash (including existing cash balance and the consideration arising from any disposals) in an account opened with and operated by an escrow agent, which is part of any financial institution licensed and approved by the Monetary Authority of Singapore. The amount that is placed in the escrow account cannot be drawn down except for the purpose of making the exit offer to shareholders; and

(b) Provide a monthly valuation of the Group's assets and utilization of cash via SGXNet.

The Company wishes to update that the Company's current cash and cash balances as at 21 May 2021 is S$13,500,457.25.

The Company is in the process of engaging an escrow agent, subject to review of the draft escrow agreement. After the escrow agreement is entered into by the parties, the Company will place at least 90% of its cash into an escrow account opened with and operated by the escrow agent.

Shareholders are advised to read this Announcement and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, solicitors or other professional advisors if they have any doubts as to the actions they should take.

## 5. RESPONSIBILITY

The Directors have taken all reasonable care to ensure that the facts stated and opinions expressed herein are fair and accurate and that no material facts have been omitted from this Announcement, the omission of which would make any statement in this Announcement misleading. Where any information in this Announcement has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure, through reasonable enquiries, that such information has been accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Announcement. The Directors jointly and severally accept responsibility accordingly.

**By Order of the Board**
**NGSC Limited**

Michael Kuan-Chi Sun
Executive Director
25 May 2021