

**NON-BINDING MEMORANDUM OF UNDERSTANDING**

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The Board of Directors ("**Board**") of NGSC Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to inform that the Company had, on 27 December 2019, entered into a non-binding memorandum of understanding ("**MOU**") with HUH Broadband Communication Company Limited ("**HUH**"), HNC China Company Limited ("**HNC**") and HCH Group Company Limited ("**HCH**"). HUH is a joint venture company between the Company through China UnifiedNet Holdings Limited, a wholly-owned subsidiary of the Company, and HCH. HNC is a wholly-owned subsidiary of HUH.

Pursuant to the MOU, the Company and HCH intend to restructure their respective holdings in HNC such that the Company shall transfer all its shares in HUH in consideration of 55% shareholding in HNC and HCH shall hold the remaining 45% shareholding in HNC through HUH ("**Proposed Transaction**").

The MOU is only an expression of intent relating to the Proposed Transaction and does not create any legally binding or enforceable obligations on the parties. The MOU shall remain valid for six months from the date of the MOU (or such period as may be extended by the parties in writing) unless and until terminated by the parties in writing or upon the signing of the definitive agreements for the Proposed Transaction. As this is a transaction between the existing Partners, all Parties have made the resolve to see this restructuring to completion within the validity of this MOU.

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Transaction, other than through their respective shareholdings (if any) in the Company.

The Board wishes to highlight that there is no certainty or assurance that (i) any definitive agreement will be entered into or (ii) the Proposed Transaction will be proceeded with. As such, Shareholders and potential investors are advised to exercise caution when dealing or trading in the shares of the Company. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board

Lye Meng Yiau  
Managing Director  
27 December 2019