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 the following queries raised by the Singapore Exchange Securities Trading Limited ("**SGX**") and the Company's responses are set out below:

SGX referred to the following:

(i) The Company's announcement dated 3 December 2019 on the notification of delisting issued by the Exchange on the same day ("**Delisting Notification**");

(ii) The Company's announcement dated 12 May 2020 on the resignation of Ng Hsian Pin as an independent director of the Company;

(iii) The Company's announcements dated 23 May 2020 on the appointments of Miao Ming Feng as an independent director and Wang Xiao Zheng as a non-executive non-independent director of the Company;

(iv) The Company's announcement dated 28 May 2020 on the resignation of Fu Shu Sheen Edward as an independent director of the Company;

(v) The Company's announcement dated 29 May 2020 on the appointment of Ong Tiang Lock as the lead independent director of the Company;

(vi) The Company's announcements dated 15 June 2020 providing its annual report ("**Annual Report"**) for the financial year ended 31 March 2020 ("**FY2020**"), and the Notice of Annual General Meeting for FY2020 ("**AGM**") ("**Notice of AGM**"); and

(vii) The Company's announcement dated 19 June 2020 on the resignation of Lye Meng Yiau as the managing director and executive director of the Company.

1. **Query 1:**

We refer to the Company's announcement dated 19 June 2020 on the resignation of Lye Meng Yiau as managing director of the Company, which provides the reason for his resignation as: *"To pursue other career opportunities".*

Page 14 of the Annual Report announced via SGXNET on 15 June 2020 provides that *"The NC has recommended to the Board that Mr Lye Meng Yiau be nominated for re-election at the forthcoming AGM pursuant to Regulation 91 of the Company's Constitution."*

In addition, the Notice of AGM for FY2020 announced via SGXNET on 15 June 2020 provides as Resolution 2 the re-election of Lye Meng Yiau as a director of the Company.

In this regard, please explain the circumstances leading to the resignation of Lye Meng Yiau on 19 June 2020, given that it was just announced on 15 June 2020 that he was proposed to be re-elected at the upcoming AGM of 30 June 2020 as recommended by the Nominating Committee ("**NC**").

Company's response:

As stated in the Annual Report, the NC has recommended to the Board and the Board in turn proposed to re-elect Mr Lye Meng Yiau as Director of the Company at the Annual General Meeting to be held on 30 June 2020.

Mr Lye Meng Yiau had resigned on his own accord to pursue other career opportunities as announced on 19 June 2020. There are no unresolved differences in opinion on material matters between Mr Lye Meng Yiau and the board of directors, including matters which would have a material impact on the group or its financial reporting.

2. **Query 2:**

We refer to the Company's announcements dated 12 May 2020, 28 May 2020 and 19 June 2020 on the resignation of Ng Hsian Pin, Fu Shu Sheen Edward and Lye Meng Yiau as directors of the Company.

In view of the Delisting Notification issued to the Company dated 3 December 2019, please explain the circumstances leading to the resignation of Ng Hsian Pin, Fu Shu Sheen Edward and Lye Meng Yiau on 12 May 2020, 28 May 2020 and 19 June 2020 respectively.

Company's response:

The resignations of Mr Ng Hsian Pin, Mr Fu Shu Sheen Edward and Mr Lye Meng Yiau were based on their personal decisions as announced on 12 May 2020, 28 May 2020 and 19 June 2020 respectively. There are no unresolved differences in opinion on material matters between Mr Ng Hsian Pin, Mr Fu Shu Sheen Edward and Mr Lye Meng Yiau with the board of directors, including matters which would have a material impact on the group or its financial reporting.

3. **Query 3:**

We refer to the Company's announcements dated 23 May 2020 and 29 May 2020 on the appointment of Miao Ming Feng as an independent director, Wang Xiao Zheng as a non-executive non-independent director and Ong Tiang Lock as the lead independent director of the Company.

(a) Please provide the Board and the NC's assessment and its basis on the suitability of Miao Ming Feng and Ong Tiang Lock as independent directors of the Company, and Wang Xiao Zheng as non-executive non-independent director of the Company.

(b) Please disclose how each of them were introduced to the Company, and the identity of the introducer(s).

(c) Please elaborate on the Company's process with regard to the selection and appointment of an independent director and non-executive non-independent director, including whether any other candidates were considered for the aforementioned positions.

(d) Listing Rule 210(5)(a) requires directors who has no prior experience as a director of an issuer listed on the Exchange to undergo training in the roles and responsibilities of director of a listed issuer as prescribed by the Exchange. Please disclose if Miao Ming Feng and Wang Xiao Zheng have attended the trainings as required, the date of the training(s) attended, and if no trainings have been attended, the reason why.

Company's response:

(a) (i) Miao Ming Feng

Mr Miao Ming Feng has been the Chairman of Waycoo Real Estate Co., Ltd during the last ten years and has been the shareholder of the Company. The Nominating Committee has recommended Mr Miao Ming Feng as Independent Director considering his business exposure and contacts in China and the Board has approved his appointment based on the Nominating Committee's recommendation.

(ii) Ong Tiang Lock

Mr Ong Tiang Lock has experience as a director of two listed companies. The Nominating Committee has also recommended Mr Ong Tiang Lock as Lead Independent Director based on his qualifications, work experience including his experience as director of two listed companies and the Board has approved his appointment based on the Nominating Committee's recommendation.

(iii) Wang Xiao Zheng

Mdm Wang Xiao Zheng has more than 30 years' experience in China's Telecommunications industry and cumulative of 10 years' experience as Vice General Manager of network operations and maintenance department and Senior Engineer, Satellite Communication Branch of China Telecom Co., Ltd.

The Nominating Committee has recommended Mdm Wang Xiao Zheng as Non-Independent Non-Executive Director based on her qualifications, work experience considering the future expansion plans of the Company in China and the Board has approved her appointment based on the Nominating Committee's recommendation.

(b) Mr Miao Ming Feng was introduced by Mr Lam Ah Seng @ Lam Pang Chuang, Ex-Director of the Company.

Mr Ong Tiang Lock was introduced by Mdm Sri Tjintwati Hartanto, Director of the Company, considering his listed company experience.

Mdm Wang Xiao Zheng was introduced by Company's joint venture partner, Hughes UnifiedNet Holding Company Limited.

(c) When a vacancy exists, through whatever cause, or where it is considered that the Board would benefit from the services of a new director with particular skills and knowledge, the Nominating Committee, in consultation with the Board, determines the selection criteria for the position based on the skills and knowledge deemed necessary for the Board to best carry out its responsibilities. Candidates may be suggested by directors or management or sourced from external sources. The NC will interview the candidates and assess them based on objective criteria approved by the Board such as integrity, independent mindedness, possession of the relevant skills required or skills needed to complement the existing Board members, ability to commit the time and effort to carry out his responsibilities, good decision-making track record, relevant experience and financial literacy.

The Company had considered several other candidates for the aforementioned positions, including an ex-partner of an audit firm.

(d) As stated in the respective appointment announcements of Mr Miao Ming Feng and Mdm Wang Xiao Zheng, the Company will arrange for Mr Miao Ming Feng and Mdm Wang Xiao Zheng to attend the relevant modules under the Listed Entity Directors Programme organised by the Singapore Institute of Directors to fulfil the mandatory training requirements under Rule 210(5)(a) of the SGX-ST Listing Manual as soon as possible considering the current covid-19 travel restrictions.

4. **Query 4:**

Please clarify what the current composition of the Board is.

Company's response:

The current composition of the Board is as follows:

Mr. Michael Kuan-Chi Sun	(Executive Director)
Mdm Sri Tjintawati Hartanto	(Non-Executive Non-Independent Director)
Mdm Wang Xiao Zheng	(Non-Executive Non-Independent Director)
Mr. Ong Tiang Lock	(Lead Independent Director)
Mr. Chew Chin Wee	(Independent Director)
Mr. Miao Ming Feng	(Independent Director)

By Order of the Board

Michael Kuan-Chi Sun
Executive Director
28 June 2020