



UPDATE ON WATCH-LIST STATUS

The Board of Directors of Next-Generation Satellite Communications Limited (the “Company” and together with its subsidiaries, the “Group”) wishes to provide the following update on the Watch-List status of the Company.

The Company had periodically updated shareholders on the Company’s Watch-List status in its quarterly Watch-List update announcements.

As announced on 31 October 2014, Ernst & Young Advisory Pte. Ltd. (“EY”) has completed its investigation into the matter related to funds placed with Niaga Finance Company and had issued a report (“EY1”) on its findings to the Audit Committee of the Company. EY1 further highlighted discrepancies in relation to the Company’s acquisition of Multi Skies Nusantara Limited and its subsidiaries (“MSN”) on 1 April 2010. As announced on 10 November 2014, the Company then entered into a second engagement with EY (“EY2”) to carry out further investigation into the MSN acquisition.

The Board underwent significant changes during 2014 which enabled it to enact the required measures to bring about a reorganization of the Company’s management and business. The current management, in place since the beginning of 2015, have taken multiple and simultaneous actions to deal with all legacy matters after the EY1 report and oversee the construction of an investment management platform. This will enhance the way the Company evaluates, invests and manages its investments and businesses going forward to ensure strict oversight of capital employed and prepare the Company for a profitable and sustainable future.

The Company engaged external professionals to launch strenuous legal actions against a Hong Kong listed company that resulted in a comprehensive recovery of all the money locked up in Niaga Finance Company as per EY1 findings. The Company is still in pursuit of an additional HK\$1.9 million interest from the counterparty. Accounts receivables, inclusive of amount due from a former director, have been substantially recovered. All necessary impairment provisions have been made on both the China and Indonesia satellite businesses of the Group.

As announced on 27 June 2017, the Company has taken a strategic decision, taking an option to acquire a business in the clean energy field in China with a successful past record. This company has just turned the corner after having suffered from a recent period of change in product line. As part of the Company’s strategy to ensure all investments have both the required industrial management and financial prudence, it is actively exploring and looking at cooperation with successful global players in their investments in Asia.

The Company was informed by Singapore Exchange Securities Trading Limited (“SGX-ST”) to submit a fresh application for extension of time to apply for removal from the Watch-List when EY completes its investigation and renders its report. Currently the EY2 investigation is still ongoing. It is the current management and board’s conviction to take affirmative actions based on the findings and recommendations of the EY2 report and to make an absolute commitment to adhere to the best corporate practices in the future.

As announced on 4 June 2017, the Company has been notified by SGX-ST that it was placed on the Watch-List due to the Minimum Trading Price Entry Criteria with effect from 5 June 2017 and has 36 months from 5 June 2017 to meet the requirements of Rule 1314(2) of the Listing Manual.

The Company will update shareholders on any future material developments.

By Order of the Board
Next-Generation Satellite Communications Limited

Ku Vicente S.
Managing Director and Chief Executive Officer
10 August 2017