



新一代卫星通讯有限公司

Next-Generation Satellite Communications Limited

(Company Registration No. 196400100R)

(Incorporated in Singapore)

FUNDS PLACED WITH A CERTAIN FINANCE COMPANY IN HONG KONG

Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings in the Company's announcement dated 5 July 2012 (the "Announcement").

Further to the Company's announcement dated 11 July 2012 ("**11 July Announcement**"), the Board wishes to inform shareholders as follows:

1. The Company has on 13 July 2012 received a copy of the remittance payment record from the Finance Company showing remittance to the Company for the sum of S\$1 million being part payment of the sum of S\$2 million referred to in item 4 of the 11 July Announcement.
2. The Company is expecting a delay in receipt of the remaining S\$1 million from the Finance Company as it understood from the Finance Company that there was a delay in its collection of its expected funds. Notwithstanding so, the Company has requested the Finance Company to remit the remaining S\$1 million within the next few working days. Meanwhile, the Company is still in negotiations with the Finance Company for the payment arrangement of the balance funds (other than the total sum of S\$5 million indicated by the Finance Company for payment in July 2012).
3. Mr Hady Hartanto is a former director of the Company. He has resigned as a director of the Company since November 2011 and has ceased to hold executive functions in the Group. He is also no longer involved in the management or operations of the Company.

The Company has directed the sum of S\$1 million referred to in item 1 above to be remitted into a Singapore bank account maintained with a well-established local Singapore bank. All future funds to be received from the Finance Company will also be remitted directly into that Singapore bank account. Currently, the signatories who can operate that Singapore bank account include Executive Directors and the Financial Controller of the Company, who are required to sign jointly. The Company will be changing the bank mandate to operate that Singapore bank account to include one of the Independent Directors of the Company to be a joint signatory as an additional safeguard to control the funds in that bank account.

At the date of this announcement, the Company still has not received the requested documents from the Finance Company to support its basis for placing the Group's funds under restriction as reflected in its Audit Confirmations issued on 29 June 2012. The Company will continue to consult its Hong Kong legal advisers in regard to this matter.

Meanwhile, the Board will be appointing an independent accounting firm to investigate into the matter relating to the funds placed with the Finance Company, including reviewing the processes and procedures concerning the Company's deposit and placing of funds with the Finance Company, as well as conducting verification on the movement of cash placed with the Finance Company and the restriction. The Board has started to source for a suitable independent accounting firm for this assignment and will inform shareholders when it has appointed the same.

The Board will update shareholders where payment of the remaining S\$1 million as aforesaid has been received by the Company and when there is material development in the negotiations with the Finance Company on the payment arrangement for the balance funds and any other material development. Meanwhile, the Board wishes to draw the attention of shareholders to paragraph 2 of the Announcement regarding the implications on the Group in relation to the issue relating to the funds placed with the Finance Company.

In the meantime, shareholders are advised to exercise caution in their dealings in the shares of the Company and to refrain from taking any action in relation to their shares which may be prejudicial to their interests. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

By Order of the Board

Li Jian Min
Chief Executive Officer

15 July 2012