NEXT-GENERATION SATELLITE COMMUNICATIONS LIMITED

Co. Registration No.196400100R

CALL OPTION AGREEMENT

The Board of Directors (the "**Board**") of Next-Generation Satellite Communications Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the Company's announcement dated 17 May 2017 regarding a non-binding letter of intent ("**LOI**") with Grand Harvest Resource Holdings Limited ("**Vendor**") and Tam Man Wai ("**Mark Tam**").

The Board is pleased to update the shareholders that the Company has on, 27 June 2017, entered into a call option agreement with the Vendor and Mark Tam, pursuant to which the Vendor has agreed to grant a call option to the Company to acquire up to 650,000 shares, representing 65% of the equity interest ("**Option Shares**") in Zhong Ping Trading Development Limited ("**ZP**") (the "**Call Option**") at an option price of S$7.02 million ("**Option Price**"), subject to the terms of the call option agreement.

The Option Price of S$7.02 million was arrived on a willing-buyer willing-seller basis, taking into account, amongst others, business prospects and the estimated earnings of ZP.

The Board is of the view that the Call Option represents an opportunity for the Company to strike an alliance with an operating business of high growth potential for industrial consumable burners in the green energy industry sector of the People's Republic of China. In addition, the Call Option presents the Company with an opportunity to expand its business which will allow it to achieve a more consistent and sustainable financial growth. The Board also believes that the Call Option will enhance shareholders value for the Company.

KEY TERMS OF THE CALL OPTION AGREEMENT

The key terms of the call option agreement are as follows:

(a) The Company may exercise the Call Option at any time after the date of the call option agreement but before the expiry of two and a half (2½) years from the date of completion ("**Option Period**");

(b) Where the exercise of the Call Option could trigger a reverse takeover transaction or a very substantial acquisition, the Company may reduce the number of Option Shares to be exercised at its discretion;

(c) The completion of the sale and purchase of the Option Shares shall be conditional upon, *inter alia*:

  (i) the Option Price shall be satisfied by the issue of new shares in the capital of the Company to the Vendor ("**Consideration Shares**"). The issue price of the Consideration Shares shall be based on the volume weighted average of the prices of shares of the Company traded on the SGX-ST during the one-month period preceding (but excluding) the date of the call option agreement, but shall not be less than S$0.004 per Consideration Share, which is subject to customary adjustments for changes in the capital structure of the Company;

  (ii) the approval of the Shareholders for the acquisition of Option Shares and the allotment and issue of the Consideration Shares shall be obtained in a general meeting of the shareholders (if required); and

(iii) the approval in-principle for the listing and quotation of the Consideration Shares on the SGX-ST.

If and when the Call Option is exercised by the Company, the Company will make an announcement stating the information required under Chapter 10 of the Listing Manual (including the financial effects of the exercise of the Call Option) and if required, to obtain approval of shareholders of the Company at an extraordinary general meeting in connection with the exercise of Call Option.

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect in the Call Option.

By Order of the Board
Next-Generation Satellite Communications Limited

Ku Vicente S.
Managing Director and Chief Executive Officer
27 June 2017