NEXT-GENERATION SATELLITE COMMUNICATIONS LIMITED

Co. Reg. No.196400100R

Quarterly Update Pursuant to Listing Rule 1313(2) for the Financial Period ended 30 September 2015

As of the date of this announcement, the statutory audit for the financial years ended 31 March 2014 ("FY2014") and 31 March 2015 ("FY2015") of Next-Generation Satellite Communications Limited ("Company") has not been completed.

As such, the comparative figures for FY2015 in this announcement are based on unaudited results as announced on 13 August 2015 and restated in accordance with the announcements released on 9 October 2015 arising from the completion of the statutory audit for the financial year ended 31 March 2013. In the event that there are material adjustments arising from the finalisation of the audit for FY2014 and FY2015, the Company will make the appropriate announcement(s) highlighting the variance and the reasons for the discrepancies.

1. Update on Financial Position for the financial period ended 30 June 2015

Statement of Comprehensive Income

The Group's revenue derived from interest income from the convertible notes acquired by the Group pursuant to the Settlement Agreement entered with the Finance Company on 25 June 2013 increased by 13% to S$0.5 million for the second quarter ended 30 September 2015 ("**2Q16**") compared to S$0.4 million in the previous corresponding quarter ("**2Q15**"). As the convertible notes are denominated in Hong Kong ("HKD"), the increase in interest income reflected the foreign exchange translation gain resulting from the appreciation of the HKD against the Singapore Dollar.

However, revenue for the half year ended 30 September 2015 ("HY16"), fell 34% reduction in revenue to S$0.9 million compared to S$1.3 million in the half year ended 30 September 2014 ("**HY15**"). This was due to loss of rental income following the termination and non-renewal of the Group's Universal Service Obligation ("**USO**") contracts at the end of June 2014.

Cost of sales declined to S$0.1 million in HY16, from S$0.5 million in HY15, in line with the termination of the USO contracts. The decline was mainly due to USO equipment being fully depreciated in HY15.

Other income in in HY16 was significantly lower than in HY15, in view of a S$1.1 million waiver of debt in HY15 for the purchase of equipment by the Group. Higher professional fees resulted in Administrative expenses in HY16 increasing to S$1.6 million, compared to S$1.1 million in HY15.

The continuing depreciation of the Indonesian Rupiah ("IDR") against the Singapore Dollar ("SGD") resulted in foreign exchange losses of S$0.6 million in HY16, versus S$0.4 million a year ago.

The Group recorded S$0.6 million in share of loss from its joint venture in China in HY16, compared to a share of profit of S$0.4 million in HY15. This was due to a decrease in demand for the joint venture's satellite broadband products and services in China.

Taking the above into account, the Group recorded a net loss of S$1.1 million for HY16 compared to net profit of S$1.1 million for HY15.

Statement of Financial Position

As at 30 September 2015, plant and equipment balance was S$0.5 million, compared to S$0.7 million as at 31 March 2015, mainly due to a S$0.1 million depreciation of assets and S$0.1 million foreign exchange translation difference in relation to IDR-denominated assets.

The share of loss from the Group's joint venture also resulted in a lower net carrying value of the joint venture company.

Other receivables, deposits and prepayments balances were higher by S$0.4 million this year due to accrual of interest income on the Group's convertible notes yet to be received.

As at 30 September 2015, the available-for-sale financial assets of S$26.0 million reflected the fair value of the two convertible notes held by Arch and Hillgo.

Other payables and accruals were higher this year due to the higher administrative expenses incurred by the Group in the form of professional fees as at 30 September 2015.

Cash Flow

The Group's cash and cash equivalents as at 30 September 2015 stands at S$32,000.

2. Update on Future Direction

The Group continues to make progress on the settlement of outstanding matters relating to its legacy businesses in Indonesia. Specifically, it is working with its Indonesian customers to realise the collection of outstanding trade receivables.

In the meantime, the Group continues to seek out opportunities for business development and investment, in order to build a sustainable income stream.

3. Update of Watch-List status

As at the date of this announcement, the Company is on the watch-list ("Watch-List") pursuant to Rule 1311 of the Listing Manual ("Listing Manual") of the Singapore Exchange Securities Trading Limited ("SGX-ST"). Under Rule 1314 of the Listing Manual of the SGX-ST, an issuer on the Watch-List may apply to the SGX-ST for its removal from the Watch-List if it satisfies any one of the following requirements:-

(1) the issuer records consolidated pre-tax profit for the most recently completed financial year (based on the latest full year consolidated audited accounts, excluding exceptional or non-recurrent income and extraordinary items) and has an average daily market capitalisation of $40 million or more over the last 120 market days on which trading was not suspended or halted. For the purpose of this rule, trading is deemed to be suspended or halted if trading is ceased for the full market day; or

(2) the issuer satisfies the SGX-ST Mainboard admission criteria, either under Rule 210(2)(a) or Rule 210(2)(b).

SGX-ST had on 1 December 2010 granted to the Company an extension until 1 June 2012, to meet the requirements to exit the Watch-List (which are set out under Listing Rule 1314).

The Company has, in November 2014, made an application to SGX-ST for a further extension to meet the requirements to exit the Watch-List and will update the shareholders on this status as and when appropriate.

By Order of the Board
Next-Generation Satellite Communications Limited

Ku Vicente S.
Managing Director and Chief Executive Officer

13 November 2015