NEXT-GENERATION SATELLITE COMMUNICATIONS LIMITED

Co. Reg. No.196400100R

Quarterly Update Pursuant to Listing Rule 1313(2) for the Financial Period ended 30 September 2014

As of the date of this announcement, the statutory audit for the financial years ended 31 March 2013 ("FY2013") and 31 March 2014 ("FY2014") of Next-Generation Satellite Communications Limited ("Company") has not commenced. As such, the comparative figures for FY2014 in this announcement are based on unaudited results for the second quarter ended on 30 September 2013 which was announced on 14 November 2013. In the event that there are material adjustments arising from the finalisation of the audit for FY2013 and FY2014, 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 September 2014

Statement of Comprehensive Income

The Group recorded a 59% reduction in revenue to S$0.4 million for the second quarter ended 30 September 2014 ("**2Q15**") compared to S$0.9 million in the same quarter the previous year ("**2Q14**"). This was due to loss of rental income as a result of the termination and non-renewal of the Group's Universal Service Obligation ("**USO**") contracts at the end of June 2014.

Similarly, revenue for the half year ended 30 September 2014 ("**HY15**") was S$1.3 million, 17% lower from that reported for the half year ended 30 September 2013 ("**HY14**"). The impact of the loss of rental income from USO contracts was however, partially mitigated by higher interest income in 1Q14, which was derived from the convertible notes acquired by the Group pursuant to the Settlement Agreement entered with the Finance Company on 25 June 2013.

Other income in HY15 includes S$1.1 million waiver of debt from a trade payable by a vendor for the purchase of equipment by the Group. Lower professional fees resulted in Administrative expenses in HY15 being lower than the same period in the prior year (S$1.0 million from S$1.3 million).

The continued depreciation of the Indonesian Rupiah ("IDR") against the Singapore Dollar ("SGD") resulted in foreign exchange losses of S$0.4 million in HY15, versus S$1.2 million a year ago.

The share of profits from the Group's joint venture in China was S$0.4 million in HY15, compared to a share of loss of S$0.6 million in HY14. This positive result is attributed to an increase in demand for the joint venture's satellite broadband products and services in China.

Taking the above into account, the Group recorded a net profit of $0.7 million for HY15 compared to net loss of $3.1 million for HY14.

1. Update on Financial Position for the financial period ended 30 September 2014 (Continued)

Statement of Financial Position

As at 30 September 2014, plant and equipment balance was S$1.1 million, compared to S$1.7 million as at 31 March 2014, mainly due to the depreciation of assets amounting to S$0.5 million and S$0.1 million foreign exchange translation difference in relation to IDR-denominated assets.

The positive share of profit from the Group's joint-venture also resulted in a higher net carrying value of the joint venture company.

Other receivables, deposits and prepayments balances were higher by S$0.6 million this year due to accrual of interest income receivable on the Group's convertible notes.

As at 30 September 2014, the available-for-sale financial assets of S$23.1 million reflected the fair value of the two convertible notes held by Arch and Hillgo.

The reduction in trade payables balance from S$1.7 million as at 31 March 2014 to S$0.5 million as at 30 September 2014 was mainly due to the S$1.1 million waiver of a trade payable referred to above in the review of the statement of comprehensive income.

Cash Flow

The Group's cash and cash equivalents as at 30 September 2014 was S$170,000.

2. Update on Future Direction

The Group's investment in Hughes UnifiedNet Holding (China) Company Limited ("**HUH**"), a technology enabler, in China has finally crossed the breakeven point and is expected to post a profit in fiscal year 2015 despite a challenging business environment.

The Group, through HUH, has signed contracts to deploy satellite technology to the natural resources and mining industry. This is a sector in which the Group will be exploring other opportunities.

The Group has also signed a contract to supply equipment for in-flight broadband capability for airlines in China. Barring unforeseen events, the Group expects HUH to report further progress in its business development effort going forward.

The Group will embark on a re-organisation of its structure in order to improve the management of its investments and attract the requisite expertise in financial management, industrial know-how and capital raising.

The Group continues to manage its costs and seek repayment of outstanding debts.

3. Update of Watch-List status

As at the date of this announcement, the Company is on the watch-list (the "Watch-List") pursuant to Rule 1311 of the Listing Manual (the "Listing Manual") of the Singapore Exchange Securities Trading Limited (the "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) based on the Company's audited FY2012 results.

The Company will update the shareholders on its Watch-List status as and when appropriate.

By Order of the Board
Next-Generation Satellite Communications Limited

Andrew Coulton
Chairman and Executive Director

13 November 2014