NEXT-GENERATION SATELLITE COMMUNICATIONS LIMITED

Co. Reg. No.196400100R

Quarterly Update Pursuant to Listing Rule 1313(2) for the Financial Year ended 31 March 2015

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") are still in progress and has not been finalised.

As such, the comparative figures for FY2014 in this announcement are based on unaudited results as announced on 30 May 2014. 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 year ended 31 March 2015

Statement of Comprehensive Income

The Group recorded a 37% reduction in revenue to S$2.2 million for the year ended 31 March 2015 ("**FY2015**") from S$3.5 million recorded for the year ended 31 March 2014 ("**FY2014**"). This was due to loss of rental income from the termination and non-renewal of the Group's Universal Service Obligation ("**USO**") contracts at the end of June 2014. The impact of the loss of rental income from USO contracts was, however, partially mitigated by higher interest income earned during the year. The higher income 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 for FY2015 includes S$1.2 million waiver of debt by a vendor in relation to the purchase of equipment by the Group.

In view of the strengthening of the United States dollar ("USD") against the Singapore Dollar ("SGD"), The Group recognised significantly lower foreign exchange loss of S$62,000 in FY2015, versus a loss of S$1.0 million in FY2014.

Administrative expenses increased to S$2.8 million in FY2015, from S$2.4 million in FY2014, as a result of higher legal and professional fees.

In FY2014, the Group wrote back S$0.5 million in tax over-provided for in prior years, and consequently booked an income tax benefit of S$151,000 compared to an income tax expense of S$276,000 for FY2015.

The Group's joint venture in China recorded a positive contribution of S$0.4 million in FY2015, compared to a share of loss of S$0.9 million in FY2014. The positive result was driven by sustained demand for the equipment and services supplied by Hughes UnifiedNet Holding (China) Company Limited ("HUH"), which owns and manages Beijing China Satcom Unified Network Systems Technology Co., Ltd, which in turn holds the highly coveted VAS (value added services) and Satellite Operating licences in China.

Taking the above into account, the Group recorded a net profit of $1.3 million for FY2015 compared to net loss of $2.7 million for FY2014.

1. Update on Financial Position for the financial year ended 31 March 2015 (Continued)

Statement of Financial Position

As at 31 March 2015, plant and equipment stood at S$0.9 million, down from S$1.7 million the year before, mainly due to the depreciation of assets amounting to S$0.7 million and a S$0.1 million difference in the translation of IDR-denominated assets into SGD.

The share of profits from the Group's joint-venture project also resulted in the increase in the net carrying value of joint ventures.

Available-for-sale financial assets of S$25.1 million as at 31 March 2015 reflects the fair value of the two convertible notes held by the Group. The S$2.1 million increase compared to S$22.9 million as at 31 March 2014 is mainly due to a gain from the translation of the convertible notes into SGD.

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

The reduction in trade payables from S$1.7 million as at 31 March 2014 to S$0.5 million as at 31 March 2015 was mainly due to the S$1.2 million waiver of a trade payable referred to above in the review of the statement of comprehensive income.

Statement of Cash Flows

The Group's cash and cash equivalents as at 31 March 2015 was S$0.3 million.

2. Update on Future Direction

The Group's investment in Hughes UnifiedNet Holding (China) Company Limited ("HUH"), a technology enabler in China has turned in a profitable performance for the full financial year and the Group is looking forward to building a sustainable income stream from this business going forward.

The Group continues to work hard towards securing new contracts for the deployment of satellite technology in the education and mining industries. At the same time, it hopes to leverage its existing capabilities to tap further opportunities in the airline industry in China.

The Group is making good progress in the settlement of outstanding matters relating to the Group's legacy businesses in Indonesia.

The Group has incorporated a subsidiary company in Singapore, NGSC Investment Management Pte Ltd, as part of its effort to streamline the management of its assets and investment in new business opportunities as and when these arise. These will include acquisitions and/or investments to expand the Group's technology related business, and/or to diversify the Group's investments into other long term growth sectors for the benefit of shareholders.

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).

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

Andrew Coulton
Chairman and Executive Director

29 May 2015