NEXT-GENERATION SATELLITE COMMUNICATIONS LIMITED

Co. Reg. No.196400100R

Quarterly Update Pursuant to Listing Rule 1313(2) for the Financial Period ended 31 December 2016

As of the date of this announcement, the statutory audit for the financial years ended 31 March 2016 ("FY2016") of Next-Generation Satellite Communications Limited ("Company") is still in progress and has not been finalised.

As such, the comparative figures for FY2016 in this announcement are based on unaudited results for the third quarter ended on 31 December 2015 which was announced on 5 February 2016 and restated in accordance with the announcement released on 29 November 2016 arising from the completion of the statutory audit for the financial year ended 31 March 2015. In the event that there are material adjustments arising from the finalization of the audit for FY2016, the Company will make the appropriate announcement(s) highlighting the variance and the reason for the discrepancies.

1. Update on Financial Position for the financial period ended 31 December 2016

Statement of Comprehensive Income

The Group did not generate any revenue for the third quarter ended 31 December 2016 ("3QFY17") in view of the waiver of interest income from the convertible notes extended to the issuer with effect from 5 October 2015. This waiver was in consideration for the issuer's consent to the order issued by the Court of Hong Kong on 6 January 2016. The announcement on the waiver of interest income was made by the Group on 8 January 2016.

Other income of S$0.8 million was mainly derived from the accrued interest income of 8% per annum on the convertible notes, being the order issued by the Court of Hong Kong on 13 June 2016 as announced by the Group. The interest income is accrued from the date of the order till full repayment is made by Neo Telemedia Limited ("NEO").

Administrative expenses increase from S$2.3 million in third quarter ended 31 December 2015 ("3QFY16") to S$3.4 million in 3QFY17 mainly due to the professional fee incurred resulted from the successful redemption of the available-for-sales financial assets on 2 November 2016.

The Group recognised a foreign exchange gain of S$0.5 million in 3QFY17 compared to a foreign exchange loss of S$0.1 million 3QFY16 due to the strengthening of Hong Kong Dollar ("HKD") against the Singapore Dollar ("SGD").

Taking the above into account, the Group recorded slightly higher net loss of S$3.0 million for 3QFY17 compared to a net loss of S$2.98 million in 3QFY16.

Statement of Financial Position

As at 31 December 2016, the value of plant and equipment amounted to S$10,000, compared to S$22,000 as at 31 March 2016. This was due to the depreciation charged of S$12,000 during the period.

Included in other receivables, deposits and prepayments is an amount due from related company, Ban Joo Investment amounted S$2.1 million. The amount is loan in nature, unsecured, interest free and repayable on demand.

Available-for-sale financial assets of S$24.6 million as at 31 March 2016 has been reclassify to cash and bank balance due to successful redemption of the available-for-sale financial assets with the principal amount of HK$144million amounted approximately S$24 million. The announcement of the successful redemption was made by the Group on 2 November 2016.

The share of loss from the Group's joint-venture project also resulted in a decrease in the net carrying value of joint ventures as at 31 December 2016.

Other payable and accruals mainly consist of deferred liabilities, provision for directors' fee and accruals amounting to approximately S$4.3 million, S$1.3 million and S$0.7 million respectively.

The slight increase in income tax payable mainly was due to the translation difference between Indonesia Rupiah ("IDR") and Hong Kong Dollar ("HKD") against SGD due to the tax payables arising from IDR and HKD foreign denominated subsidiaries.

Statement of Cash Flow

The Group's cash and cash equivalents as at 31 December 2016 stands at S$24 million.

2. Update on Future Direction

On 17 January 2017, the Group has entered into a joint venture with Dongyi Management Limited ("DongYi") to jointly incorporate a company in Singapore known as NGSC Capital Pte.Ltd. ("NGSC Capital") (the "Joint Venture").

On 27 January 2017, the Group clarify that only the suit by the plaintiff against the Company in Singapore has been discontinued and concluded, while the suit by the Plaintiff against the Company in Hong Kong as announced on 28 November 2014 remains on-going. In this regard, the Group has received an amended of claim on 24 January 2017. The Group intends to take all appropriate steps to vigorously contest the legal actions in Hong Kong.

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 February 2017