NEXT-GENERATION SATELLITE COMMUNICATIONS LIMITED

Co. Reg. No.196400100R

Quarterly Update Pursuant to Listing Rule 1313(2) and Rule 1314(2) for the Financial Period ended 30 September 2017

1. Update on Financial Position for the financial period ended 30 September 2017

Statement of Comprehensive Income

The Group recorded a share of profit S$0.74 million from its joint venture for the second quarter ended 30 September 2017 ("2QFY18"), as compared to losses of S$0.28 million in 2QFY17. The positive result is driven by the increased demand for the equipment and services supplied by Hughes UnifiedNet Holding (China) Company Limited in China.

Other income for 2QFY18 mainly consist of the 6% interest income for the loan granted to Zhong Ping Trading Development Company Limited ("ZP") on 15 May 2017. Other income of S$0.60 million was 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 Group incurred a foreign exchange loss of S$0.29 million for 2QFY18 compared to a foreign exchange gain of S$0.28 million in 2QFY17. This was due to the strengthening of Singapore Dollar (SGD) against the Hong Kong Dollar (HKD) in 2QFY18.

Taking the above into account, the Group recorded a net profit of S$24,000 for 2QFY18 compared to a net loss of S$0.77 million in 2QFY17.

Statement of Financial Position

Included in other receivables, deposits and prepayments is an amount due from Ban Joo Investment (Pte) Ltd arising from the settlement of 380 million shares of the Company with a market value of S$1.1 million. The shares are held in as a collateral and the Group has the economic and monetary rights and benefits as per announced by the Group on 20 February 2017. Included in this category is an amount due from ZP being the loan amounted to S$3.0 million granted and an amount due from JeeOne International Holding Limited for the subscription of convertible notes with the principal amount of RMB4.3 million amounted to approximately S$0.92 million.

Derivative assets refer to the forward contracts amounted to S$0.30 million which the Group has invested during the financial period through its subsidiary.

The net carrying value of the joint venture has increased by approximately S$1.0 million to S$31.3 million due to our share of profit.

1, Update on Financial Position for the financial period ended 30 September 2017(cont'd)

Statement of Financial Position (cont'd)

Other payables and accruals mainly consist of deferred liabilities, provision for directors' fee and accruals amounting to approximately S$4.0 million, S$1.1 million and S$0.6 million respectively.

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

Cash Flow
The Group's cash and cash equivalents as at 30 September 2017 stood at S$17.0 million.

2. Update on Future Direction

NSGC Capital Pte. Ltd. ("NGSC Capital"), a 55% owned subsidiary of the Group, has incorporated two wholly-owned subsidiaries in Cayman Island knowns as Indo EM Growth Fund GP Limited and NGSC Capital Limited (collectively, the "Subsidiaries"). Each of the Subsidiaries has an issued and paid-up capital of US$0.01 comprising 1 ordinary shares and the principal activities of the Subsidiaries include additional aspects in the management of the Group investments.

The Board is of view that with the platform as initiated by NGSC Capital, a new revenue stream can be generated on a recurring basis for the Group, which in turn provides greater stability to its revnue base towards achieving sustainable long term growth.

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 had, 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.

4. Update of Minimum Trading Price (the "MTP") Entry Criterion

The Company was placed on the watch-list under the MTP entry criterion with effect from 5 June 2017 under the revised MTP rules as announced on 2 December 2016. The Company will continue to make efforts and consider various options to meet the requirement of Rule 1314(2) of the SGX-ST Listing Manual pursuant to the MTP exit criterion and would update its shareholders in due course.

By Order of the Board
Next-Generation Satellite Communications Limited

Ku Vicente S.
Managing Director and Chief Executive Officer

14 November 2017