



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

As at the date of this announcement, the statutory audit for the financial years ended 31 March 2013 (“FY2013”), 31 March 2014 (“FY2014”) and 31 March 2015 (“FY2015”) of Next-Generation Satellite Communications Limited (“Company”) is still in progress and has not been completed.

As such, the comparative figures for FY2015 in this announcement are based on unaudited results as announced on 29 May 2015. In the event that there are material adjustments arising from the finalisation of the audit for FY2013, 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 declined 54% to S\$0.4 million for the first quarter ended 30 June 2015 (“1Q16”), from S\$0.9 million in the first quarter ended 30 June 2014 (“1Q15”), mainly due to loss of rental income from the expiry of the Universal Service Obligation (“USO”) contracts in Indonesia at the end of June 2014

Finance expenses, which mainly comprised foreign exchange losses, recorded a 14% decline to S\$0.4 million in 1Q16, versus S\$0.5 million in 1Q15. This was largely due to the strengthening of the US Dollar against the Singapore Dollar.

Taking into account the absence of Other income for 1Q16, versus S\$1.1 million in Other income for 1Q15 pertaining to the waiver of debt by a Vendor in relation to the purchase of equipment, the Group reported a net loss for 1Q16 of S\$1.6 million compared to a net profit of S\$0.5 million in 1Q15.

Statement of Financial Position

Plant and equipment was S\$0.8 million as at 30 June 2015, against S\$0.9 million as at 31 March 2015. This was attributed to fixed asset depreciation of S\$80,000 and a translation difference of IDR-denominated assets to SGD of S\$34,000.

Available-for-sale financial assets of S\$24.6 million as at 30 June 2015 reflect the fair value of the two convertible notes held by Arch and Hillgo. 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 30 June 2015.

Trade and other receivables, deposits and prepayments were S\$8.0 million and S\$3.6 million respectively as at 30 June 2015. As a significant portion of these balances was IDR-denominated, the decrease as compared to 31 March 2015 reflects the weakening of Indonesian rupiah against the Singapore Dollar that resulted in a translation difference.

Statement of Cash Flow

The Group’s cash and cash equivalents as at 30 June 2015 stands at S\$0.1 million.

2. Update on Future Direction

Hughes UnifiedNet Holding (China) Company Limited (“HUH”), a technology enabler in China in which the Group holds a 55% economic interest, has signed an agreement in July 2015 to provide satellite coverage for a number of villages in Inner Mongolia. The provision of this satellite services is currently under trial, and the Group hopes to commence deployment of the services later in the year. The Group is looking forward to building a sustainable income stream from this business going forward, while exploring other opportunities for the deployment of its satellite technology.

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.

The Group is actively pursuing an early redemption of the Convertible Notes in its possession before these reach maturity in April 2016. If successful, the redemption will provide the Group with funds to explore new business opportunities, including acquisitions or investments to expand and diversify the Group’s business.

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

13 August 2015