



Unaudited Second Quarter Financial Statements for the Financial Period Ended 30 September 2017

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Unaudited Consolidated Statement of Comprehensive Income for the Financial Period Ended 30 September 2017

	Note	Group Half year ended			Group Second quarter ended		
		30/09/2017	30/09/2016	%	30/09/2017	30/09/2016	%
		(unaudited) S\$'000	(audited) S\$'000	+ / (-)	(unaudited) S\$'000	(audited) S\$'000	+ / (-)
Revenue		-	-	n.a.	-	-	n.a.
Cost of sales		-	-	n.a.	-	-	n.a.
Gross profit		-	-	n.a.	-	-	n.a.
Other income	(i)	69	597	(88)	46	596	(92)
Administrative expenses		(787)	(904)	(13)	(300)	(374)	(20)
Finance expenses, net		(290)	281	n.m.	(223)	236	n.m.
Share of profit/(loss) of joint venture		1,032	(742)	n.m.	743	(283)	n.m.
Profit/(loss) before tax		24	(768)	n.m.	266	175	52
Income tax expense		-	-	n.a.	-	-	n.a.
Profit/(loss) for the financial period	(ii)	24	(768)	n.m.	266	175	52
Attributable to:							
Owners of the Company		82	(768)	n.m.	202	175	15
Non-controlling interests		(58)	-	n.m.	(56)	-	n.m.
		24	(768)	n.m.	146	175	(17)
Other comprehensive income/(loss):							
Currency translation differences arising from		(118)	(146)	(19)	84	(38)	n.m.
Net fair value loss on available for sale financial asset		-	2	n.m.	-	2	n.m.
Total comprehensive income/(loss)		(94)	(912)	(90)	350	139	n.m.
Total comprehensive loss attributable to:							
Owners of the Company		(36)	(912)	(96)	406	139	n.m.
Non-controlling interests		(58)	-	n.m.	(56)	-	n.m.
		(94)	(912)	(90)	350	139	n.m.

Note:

n.a. – not applicable

n.m. – not meaningful

1 (a)(ii) Notes to Consolidated Statement of Comprehensive Income

	Group			Group		
	Half year ended		%	Second quarter		%
	30/09/2017	30/09/2016		30/09/2017	30/09/2016	
(unaudited) S\$'000	(audited) S\$'000	+ / (-)	(unaudited) S\$'000	(audited) S\$'000	+ / (-)	
(ii) Other income						
Interest income	69	597	(88)	46	596	(92)
(iii) Total profit/(loss) for the financial period is derived after crediting /(charging) the following:						
Depreciation of plant and equipment	(5)	(9)	(44)	4	5	(20)
Foreign exchange (loss)/profit, net	(290)	281	n.m.	(223)	236	n.m.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	As at 30/09/2017 (unaudited) S\$'000	As at 31/03/2017 (audited) S\$'000	As at 30/09/2017 (unaudited) S\$'000	As at 31/03/2017 (audited) S\$'000
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	145,623	145,508	145,623	145,508
Treasury shares	(1,219)	(1,219)	(1,219)	(1,219)
	<u>144,404</u>	<u>144,289</u>	<u>144,404</u>	<u>144,289</u>
Other reserves				
Capital reserve	(169)	(169)	(169)	(169)
Foreign currency translation	1,762	1,880	-	-
	<u>1,593</u>	<u>1,711</u>	<u>(169)</u>	<u>(169)</u>
Accumulated losses	(100,297)	(100,379)	(101,429)	(100,622)
Non-controlling interest	(13)	45	-	-
	<u>45,687</u>	<u>45,666</u>	<u>42,806</u>	<u>43,498</u>
TOTAL EQUITY				
ASSETS				
Non-current assets				
Plant and equipment	12	9	14	5
Goodwill	-	-	-	-
Subsidiaries	-	-	57,918	57,918
Joint ventures	31,311	30,186	-	-
Current assets				
Other receivables, deposits and prepayments	5,637	1,277	5,102	1,184
Due from subsidiaries (non-trade)	-	-	359	-
Derivative assets	304	-	-	-
Cash and bank balances	17,144	23,124	17,082	23,092
	<u>23,085</u>	<u>24,401</u>	<u>22,543</u>	<u>24,276</u>
	<u>54,408</u>	<u>54,596</u>	<u>80,475</u>	<u>82,199</u>
TOTAL ASSETS				
LIABILITIES				
Current liabilities				
Trade payables	226	235	-	-
Other payables and accruals	6,911	7,056	1,877	1,819
Due to subsidiaries (non-trade)	-	-	35,792	36,882
Income tax payable	1,584	1,639	-	-
	<u>8,721</u>	<u>8,930</u>	<u>37,669</u>	<u>38,701</u>
	<u>8,721</u>	<u>8,930</u>	<u>37,669</u>	<u>38,701</u>
TOTAL LIABILITIES				
NET ASSETS				
	<u>45,687</u>	<u>45,666</u>	<u>42,806</u>	<u>43,498</u>

1(b)(ii) Aggregate amount of the group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 30/09/17		As at 31/03/17 (unaudited)	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	-

Amount repayable after one year

As at 30/09/17		As at 31/03/17 (unaudited)	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	-

Details of any collaterals

Not applicable.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		Group	
	Half year ended 30/09/2017 (unaudited) S\$'000	30/09/2016 (audited) S\$'000	Second quarter ended 30/09/2017 (unaudited) S\$'000	30/09/2016 (audited) S\$'000
Cash flows from operating activities				
Profit/(Loss) before tax	24	(768)	146	175
Adjustments:				
Depreciation of plant and equipment	5	9	4	5
Interest income	(69)	(597)	(46)	(596)
Share of (profit)/loss of joint venture	(1,032)	742	(743)	283
Unrealised foreign exchange differences	(284)	(346)	(58)	(278)
Operating loss before working capital changes	(1,356)	(960)	(697)	(411)
Other receivables, deposits and prepayments	(4,360)	(625)	(1,366)	(638)
Due from related parties	-	-	8	-
Other payables and accruals	(131)	384	(11)	349
Interest received	69	597	46	596
Net cash used in operating activities	(5,778)	(604)	(2,020)	(104)
Cash flows from investing activities				
Purchase of plant and equipment	(12)	-	(5)	-
Investment in derivative assets	(305)	-	(305)	-
Net cash used in investing activities	(317)	-	(310)	-
Cash flow from financing activities				
Proceeds from exercise of share options	115	-	115	-
Proceeds from issuance of ordinary shares in subsidiary to non-controlling interest	-	-	(45)	-
Net cash generated from investing activities	115	-	70	-
Net decrease in cash and cash equivalents	(5,980)	(604)	(2,260)	(104)
Cash and cash equivalents at beginning of financial period	23,124	646	19,404	146
Cash and cash equivalents at end of financial period	17,144	42	17,144	42

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Unaudited Statement of Changes In Equity for the Financial Period ended 30 September 2017

<u>Group</u>	Share capital	Treasury shares	Capital reserve	Translation reserve	Non-controlling interest	Accumulated losses	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 April 2017, (audited) (restated)	145,508	(1,219)	(169)	1,880	45	(100,379)	45,666
Loss for the financial period	-	-	-	-	(58)	82	24
Other comprehensive loss, net of tax	-	-	-	(118)	-	-	(118)
Total comprehensive loss for the financial period	-	-	-	(118)	(58)	82	(94)
<u>Contribution by and distributions to owners</u>							
Grant of share awards	115	-	-	-	-	-	115
Balance at 30 September 2017 (unaudited)	145,623	(1,219)	(169)	1,762	(13)	(100,297)	45,687
	Share capital	Treasury shares	Capital reserve	Fair value reserve	Translation reserve	Accumulated losses	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 April 2016, (audited)	145,508	(1,219)	(169)	325	1,629	(94,038)	52,036
Loss for the financial period	-	-	-	-	-	(768)	(768)
Other comprehensive loss, net of tax	-	-	-	2	(146)	-	(144)
Total comprehensive loss for the financial period	-	-	-	2	(146)	(768)	(912)
Balance at 30 September 2016 (audited)	145,508	(1,219)	(169)	327	1,483	(94,806)	51,124

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 30/09/2017	As at 31/03/2017
Total number of issued shares excluding treasury shares	6,424,735,828	6,386,335,828

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

<u>Treasury shares</u>	Number of ordinary shares	
	2017	2016
Balance at 30 September	24,200,000	24,200,000

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied accounting policies and method of computation in the financial statements for the current reporting period consistent with those of the audited financial statements for the year ended 31 March 2017 as per announcement dated 10 November 2017.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change.

Not applicable.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group		Company	
	Half year ended		Half year ended	
	As at 30/09/2017 (cents)	As at 31/09/2016 (audited) (cents)	As at 30/09/2017 (cents)	As at 31/09/2016 (audited) (cent)
Profit / (Loss) per share attributable to the equity holder of the Company	0.001	(0.01)	(0.01)	0.01

As the Company does not have any outstanding share convertibles for the first quarter ended 30 September 2017 and 30 September 2016, the diluted profit/(loss) per share is the same as basic profit/(loss) per share.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:
- current financial period reported on; and
 - immediately preceding financial year

	Group		Company	
	As at 30/09/2017 (cents)	As at 31/03/2017 (audited) (cents)	As at 30/09/2017 (cents)	As at 31/03/2017 (audited) (cents)
	Net asset value per ordinary share based on the total number of issued shares excluding treasury shares	0.72	0.72	0.67

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
- any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

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.

Statement of Comprehensive Income (cont'd)

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.

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\$17.1 million.

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.

9. Where a forecast, or prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

NSGC Capital Pte. Ltd. ("NGSC Capital"), a 55% owned subsidiary of the Group, has incorporated two wholly-owned subsidiaries in the Cayman Islands, known 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 revenue base towards achieving sustainable long term growth.

11. If a decision regarding dividend has been made:-

- (a) Whether an interim (final) ordinary dividend has been declared (recommended) – None
- (b) (i) Amount per share – Not applicable
(ii) Previous corresponding period - Not applicable
- (c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated) – Not applicable
- (d) The date the dividend is payable – Not applicable
- (e) The date on which Registrable Transfers received by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined – Not applicable

12. If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared (recommended) for the financial period ended 30 September 2017.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company did not seek nor obtain a shareholders' general mandate for interested person transactions.

14. Confirmation that the issuer has procured undertaking from all of its directors and executive officers (in the format as set out in Appendix 7.7) under Rule 720 (1).

Yes.

By Order of the Board
Next-Generation Satellite Communications Limited

Ku Vicente S.
Managing Director and Chief Executive Officer

14 November 2017



Unaudited Second Quarter Financial Statements for the Financial Period Ended 30 September 2017

CONFIRMATION PURSUANT TO RULE 705(5) OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED FOR THE ANNOUNCEMENT OF UNAUDITED FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2017

We, Ku Vicente S. and Andrew Coulton, being Directors of the Company, do hereby confirm, for and on behalf of the Board of Directors of the Company, that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited consolidated financial results for the second quarter ended 30 September 2017 to be false or misleading in any material aspect.

For and on behalf of the Board of Directors

Ku Vicente S.
Managing Director and
Chief Executive Officer

Andrew Coulton
Non-executive Non-Independent Chairman

14 November 2017