NEXT-GENERATION SATELLITE COMMUNICATIONS LIMITED

Co. Reg. No.196400100R

Unaudited Second Quarter Financial Statements for the Financial Period Ended 30 September 2014

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") has not commenced.

As such, the comparative figures for FY2014 in this announcement are based on unaudited results for the second quarter ended on 30 September 2013 which was announced on 14 November 2013. 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(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 2014

	Note	Group Half year ended 30/09/14 (unaudited) S$'000	Group Half year ended 30/09/13 (unaudited) S$'000	% +/(-)	Group Second quarter ended 30/09/14 (unaudited) S$'000	Group Second quarter ended 30/09/13 (unaudited) S$'000	% +/(-)
Revenue	(i)	**1,345**	**1,627**	(17)	**403**	**989**	(59)
Cost of sales		(606)	(854)	(29)	(272)	(454)	(40)
Gross profit		739	773	(4)	131	535	(76)
Other income	(ii)	1,158	17	n.m.	-	10	(100)
Distribution costs		-	(15)	(100)	-	2	(100)
Administrative expenses		(1,090)	(1,283)	(15)	(515)	(738)	(30)
Finance expenses, net		(423)	(1,247)	(66)	66	(1,388)	n.m.
Share of profit/(loss) of joint venture		373	(588)	n.m.	301	(274)	n.m.
Profit/(Loss) before tax		**757**	**(2,343)**	n.m.	**(17)**	**(1,853)**	(99)
Income tax expense		(135)	(66)	105	(68)	(40)	70
Profit/(Loss) for the financial period	(iii)	**622**	**(2,409)**	n.m.	**(85)**	**(1,893)**	(96)
Other comprehensive income/(loss):							
Currency translation differences arising from consolidation		76	(711)	n.m.	331	(647)	n.m.
Total comprehensive profit/(loss) attributable to equity holders of the Company		**698**	**(3,120)**	n.m.	**246**	**(2,540)**	n.m.

Note:
n.a. – not applicable
n.m. – not meaningful

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

	Group Half year ended			Group Second quarter ended		
	30/09/14	**30/09/13**	**%**	**30/09/14**	**30/09/13**	**%**
	S$'000	S$'000	+/(-)	S$'000	S$'000	+/(-)
(i) Revenue						
Rental income	529	1,225	(57)	-	591	(100)
Interest income on available-for-sale financial assets	816	398	105	403	398	1
Satellite communication and data centre service fees	-	4	(100)	-	-	n.a.
	1,345	1,627	(17)	403	989	(59)
(ii) Other income						
Interest income	-	12	(100)	-	5	(100)
Reversal of impairment loss of plant and equipment	-	5	(100)	-	5	(100)
Waiver of debts from trade payable	1,158	-	100	-	-	n.a..
	1,158	17	n.m.	-	10	(100)
(iii) Total loss for the financial period is derived after crediting (charging) the following:						
Amortisation of intangible asset	(89)	(89)	-	(45)	(45)	-
Depreciation of plant and equipment	(491)	(613)	(20)	(223)	(295)	(24)
Foreign exchange loss, net	(423)	(1,247)	(66)	66	(1,388)	n.m.
Income tax - current	(135)	(66)	105	(68)	(40)	70

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 30/09/14 (unaudited) S$'000	As at 31/03/14 (unaudited) S$'000	As at 30/09/14 (unaudited) S$'000	As at 31/03/14 (unaudited) S$'000
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	145,508	145,508	145,508	145,508
Treasury shares	(1,219)	(1,219)	(1,219)	(1,219)
	144,289	144,289	144,289	144,289
Other reserves				
Capital reserve	(169)	(169)	(169)	(169)
Fair value reserve	220	220	-	-
Foreign currency translation reserves	(1,281)	(1,357)	-	-
	(1,230)	(1,306)	(169)	(169)
Accumulated losses	(54,022)	(54,644)	(71,366)	(70,555)
TOTAL EQUITY	89,037	88,339	72,754	73,565
ASSETS				
Non-current assets				
Plant and equipment	1,117	1,688	9	13
Goodwill	5,019	5,019	-	-
Subsidiaries	-	-	65,670	65,670
Joint ventures	50,925	50,551	-	-
Deferred tax asset	251	266	-	-
Intangible asset	1,920	1,991	-	-
Current assets				
Trade receivables	8,257	8,202	-	-
Other receivables, deposits and prepayments	6,232	5,598	2,526	2,536
Due from subsidiaries (non-trade)	-	-	14,402	13,622
Available-for-sale financial assets	23,103	22,891	-	-
Cash and bank balances	170	740	122	503
	37,762	37,431	17,050	16,661
TOTAL ASSETS	96,994	96,946	82,729	82,344
LIABILITIES				
Current liabilities				
Trade payables	463	1,652	-	-
Other payables and accruals	6,324	5,878	1,378	1,096
Due to subsidiaries (non-trade)	-	-	8,597	7,683
Income tax payable	1,170	1,077	-	-
	7,957	8,607	9,975	8,779
TOTAL LIABILITIES	7,957	8,607	9,975	8,779
NET ASSETS	89,037	88,339	72,754	73,565

1(b)(i) Statement of financial position (Cont'd)

Note (1): Cash and bank balances	Group		Company	
	As at 30/09/14 (unaudited) S$'000	As at 31/03/14 (unaudited) S$'000	As at 30/09/14 (unaudited) S$'000	As at 31/03/14 (unaudited) S$'000
Available for use	809	1,372	122	503
Discrepancy [(a)]	(639)	(632)	-	-
	170	740	122	503

(a) As at 30 September 2014 and 31 March 2014, this represents deposits placed with a finance Company in Hong Kong (the "Finance Company") which was withheld by the Finance Company and intended for the settlement of an invoice for 65 sets of Universal Service Obligation equipment which was purchased under a conditional letter of credit ("**LC**") arrangement provided by the Finance Company to one of the Group's subsidiaries. In the interest of prudence, the Company continues to record this amount as a receivable. As announced on 31 October 2014, Ernst and Young Advisory Pte. Ltd. has completed its investigation into the matter relating to the funds placed with the Finance Company and has issued a report on its findings to the Audit Committee of the Company. Please refer to the said announcement for further details.

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 30/09/14 (unaudited)		As at 31/03/14 (unaudited)	
Secured	**Unsecured**	**Secured**	**Unsecured**
S$'000	S$'000	S$'000	S$'000
-	-	-	-

Amount repayable after one year

As at 30/09/14 (unaudited)		As at 31/03/14 (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 Half year ended		Group Second quarter ended	
	30/09/14 (unaudited) S$'000	**30/09/13** (unaudited) S$'000	**30/09/14** (unaudited) S$'000	**30/09/13** (unaudited) S$'000
Cash flows from operating activities				
Profit/(Loss) before tax	757	(2,343)	(17)	(1,853)
Adjustments:				
Amortisation of intangible asset	89	89	45	45
Depreciation of plant and equipment	491	613	224	295
Interest income	-	(12)	-	(5)
Reversal of impairment loss of plant and equipment	-	(5)	-	(5)
Share of (profit)/loss of joint venture	(373)	588	(301)	274
Unrealised foreign exchange differences	417	(155)	(138)	(83)
Waiver of debts from trade payable	(1,158)	-	1	-
Operating profit/(loss) before working capital changes	223	(1,225)	(186)	(1,332)
Trade receivables	(532)	536	8	1,320
Other receivables, deposits and prepayments	(682)	(292)	(288)	(318)
Trade payables	(31)	(74)	-	(103)
Other payables and accruals	445	(15)	274	(334)
Cash used in operations	(577)	(1,070)	(192)	(767)
Income tax paid	-	-	-	-
Net cash used in operating activities	(577)	(1,070)	(192)	(767)
Cash flows from investing activities				
Acquisition of subsidiaries, net of cash	-	(24,022)	-	(24,022)
Interest received	-	12	-	5
Proceeds from disposal of plant and equipment	-	5	-	5
Net cash used in investing activities	-	(24,005)	-	(24,012)
Cash flows from financing activities				
Repayment to related parties (non-trade)	-	(10)	-	(9)
Restricted cash and bank balances from finance company	-	24,959	-	25,005
Net cash generated from financing activities	-	24,949	-	24,996
Net (decrease)/increase in cash and cash equivalents	(577)	(126)	(192)	217
Effects of exchange rate changes in cash and cash equivalents	7	9	-	31
Cash and cash equivalents at beginning of financial period	740	1,835	362	1,470
Cash and cash equivalents at end of financial period	170	1,718	170	1,718

1(c) Consolidated statement of cash flows (Cont'd)

Note:
(1) Cash and cash equivalents in the consolidated statement of cash flows comprise the following:

	Group	
	As at 30/09/14 (unaudited) S$'000	**As at 30/09/13** (unaudited) S$'000
Cash and bank balances	809	1,668
Fixed deposits placed with financial institutions	-	50
Cash and bank balances as stated per balance sheet	809	1,718
Less:		
Discrepancy [(a)]	(639)	-
Cash and cash equivalents per consolidated statement of cash flows	170	1,718

(a) As at 30 September 2014, this represents deposits placed with the Finance Company which was withheld by the Finance Company and intended for the settlement of an invoice for 65 sets of Universal Service Obligation equipment which was purchased under a conditional LC arrangement provided by the Finance Company to one of the Group's subsidiaries. In the interest of prudence, the Company continues to record this amount as a receivable. As announced on 31 October 2014, Ernst and Young Advisory Pte. Ltd. has completed its investigation into the matter relating to the funds placed with the Finance Company and has issued a report on its findings to the Audit Committee of the Company. Please refer to the said announcement for further details.

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 2014

Group	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 2014, (unaudited)	**145,508**	**(1,219)**	**(169)**	**220**	**(1,357)**	**(54,644)**	**88,339**
Profit for the financial period	-	-	-	-	-	622	622
Other comprehensive profit, net of tax	-	-	-	-	76	-	76
Total comprehensive profit for the financial period	-	-	-	-	76	622	698
Balance at 30 September 2014 (unaudited)	**145,508**	**(1,219)**	**(169)**	**220**	**(1,281)**	**(54,022)**	**89,037**

Group	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 2013, restated (unaudited)	**145,508**	**(1,219)**	**(169)**	**-**	**(635)**	**(52,469)**	**91,016**
Loss for the financial period	-	-	-	-	-	(516)	(516)
Other comprehensive loss, net of tax	-	-	-	-	(188)	-	(188)
Total comprehensive loss for the financial period	-	-	-	-	(188)	(516)	(704)
Balance at 30 September 2013 (unaudited)	**145,508**	**(1,219)**	**(169)**	**-**	**(823)**	**(52,985)**	**90,312**

Company	Share capital	Treasury shares	Capital reserve	Accumulated losses	Total Equity
	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 April 2014, (unaudited)	**145,508**	**(1,219)**	**(169)**	**(70,555)**	**73,565**
Loss for the financial period	-	-	-	(811)	(811)
Total comprehensive loss for the financial period	-	-	-	(811)	(811)
Balance at 30 September 2014 (unaudited)	**145,508**	**(1,219)**	**(169)**	**(71,366)**	**72,754**

Company	Share capital	Treasury shares	Capital reserve	Accumulated losses	Total Equity
	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 April 2013,restated (unaudited)	**145,508**	**(1,219)**	**(169)**	**(69,252)**	**74,868**
Loss for the financial period	-	-	-	(120)	(120)
Total comprehensive loss for the financial period	-	-	-	(120)	(120)
Balance at 30 September 2013 (unaudited)	**145,508**	**(1,219)**	**(169)**	**(69,372)**	**74,748**

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Issued ordinary shares	**Number of shares**	
	2014	**2013**
Balance at 1 July and 30 September	6,410,535,828	6,410,535,828

Outstanding convertibles

The Company did not have any outstanding share convertibles as at 30 September 2014 and 30 September 2013.

Treasury shares

Included in the above issued ordinary shares as at 30 September 2014 was 24,200,000 (30 September 2013: 24,200,000) treasury shares held by the Company.

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.

Issued ordinary shares	**Number of shares**	
	As at 30/09/2014	**As at 31/03/2014**
Total number of issued shares excluding treasury shares	6,386,335,828	6,386,335,828

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

Treasury shares	**Number of ordinary shares**	
	2014	**2013**
Balance at 1 July and 30 September	24,200,000	24,200,000

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.

There are certain new Financial Reporting Standards ("FRS") that are published and mandatory for accounting periods beginning on or after 1 April 2014. The adoption of these FRS where applicable did not have any material impact on the financial statements for the financial period ended 30 September 2014. Apart from this, the same accounting policies and methods of computation have been consistently applied.

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 Half year ended		**Group Second quarter ended**	
	30/09/14 (cents)	**30/09/13** (cents)	**30/09/14** (cents)	**30/09/13** (cents)
Profit/(Loss) per share attributable to the equity holders of the Company				
- basic	0.01	(0.04)	(0.01)	(0.03)

As the Company does not have any outstanding share convertibles for the half year and second quarter ended 30 September 2014 and 30 September 2013, the diluted loss per share is the same as basic 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:

(a) current financial period reported on; and
(b) immediately preceding financial year

	Group		Company	
	As at 30/09/14 (unaudited) (cents)	**As at 31/03/14** (unaudited) (cents)	**As at 30/09/14** (unaudited) (cents)	**As at 31/03/14** (unaudited) (cents)
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares	1.39	1.38	1.14	1.15

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:-

(a) 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

(b) 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 59% reduction in revenue to S$0.4 million for the second quarter ended 30 September 2014 ("**2Q15**") compared to S$0.9 million in the same quarter the previous year ("**2Q14**"). This was due to loss of rental income as a result of the termination and non-renewal of the Group's Universal Service Obligation ("**USO**") contracts at the end of June 2014.

Similarly, revenue for the half year ended 30 September 2014 ("**HY15**") was S$1.3 million, 17% lower from that reported for the half year ended 30 September 2013 ("**HY14**"). The impact of the loss of rental income from USO contracts was however, partially mitigated by higher interest income in 1Q14, which 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 in HY15 includes S$1.1 million waiver of debt from a trade payable by a vendor for the purchase of equipment by the Group. Lower professional fees resulted in Administrative expenses in HY15 being lower than the same period in the prior year (S$1.0 million from S$1.3 million).

The continued depreciation of the Indonesian Rupiah ("IDR") against the Singapore Dollar ("SGD") resulted in foreign exchange losses of S$0.4 million in HY15, versus S$1.2 million a year ago.

The share of profits from the Group's joint venture in China was S$0.4 million in HY15, compared to a share of loss of S$0.6 million in HY14. This positive result is attributed to an increase in demand for the joint venture's satellite broadband products and services in China.

Taking the above into account, the Group recorded a net profit of $0.7 million for HY15 compared to net loss of $3.1 million for HY14.

Statement of Financial Position

As at 30 September 2014, plant and equipment balance was S$1.1 million, compared to S$1.7 million as at 31 March 2014, mainly due to the depreciation of assets amounting to S$0.5 million and S$0.1 million foreign exchange translation difference in relation to IDR-denominated assets.

The positive share of profit from the Group's joint-venture also resulted in a higher net carrying value of the joint venture company.

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

As at 30 September 2014, the available-for-sale financial assets of S$23.1 million reflected the fair value of the two convertible notes held by Arch and Hillgo.

The reduction in trade payables balance from S$1.7 million as at 31 March 2014 to S$0.5 million as at 30 September 2014 was mainly due to the S$1.1 million waiver of a trade payable referred to above in the review of the statement of comprehensive income.

Cash Flow

The Group's cash and cash equivalents as at 30 September 2014 was S$170,000.

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) based on the Company's audited FY2012 results.

The Company will update the shareholders on its Watch-List 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.

The current announced results are in line with the prospect statement in the results announcement for the first quarter ended 30 June 2014 and the subsequent announcements released by the Group.

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.

The Group's investment in Hughes UnifiedNet Holding (China) Company Limited ("**HUH**"), a technology enabler, in China has finally crossed the breakeven point and is expected to post a profit in fiscal year 2015 despite a challenging business environment.

The Group, through HUH, has signed contracts to deploy satellite technology to the natural resources and mining industry. This is a sector in which the Group will be exploring other opportunities.

The Group has also signed a contract to supply equipment for in-flight broadband capability for airlines in China. Barring unforeseen events, the Group expects HUH to report further progress in its business development effort going forward.

The Group will embark on a re-organisation of its structure in order to improve the management of its investments and attract the requisite expertise in financial management, industrial know-how and capital raising.

The Group continues to manage its costs and seek repayment of outstanding debts.

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 half year ended 30 September 2014.

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.

By Order of the Board
Next-Generation Satellite Communications Limited

Andrew Coulton
Chairman and Executive Director

13 November 2014

NEXT-GENERATION SATELLITE COMMUNICATIONS LIMITED

Co. Reg. No.196400100R

Unaudited Second quarter Financial Statements for the Financial Period Ended 30 September 2014

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 HALF YEAR ENDED 30 SEPTEMBER 2014

We, Andrew Coulton and Sri Tjintawati Hartanto, being Directors of Next-Generation Satellite Communications Limited (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 and the Half year ended 30 September 2014 to be false or misleading in any material aspect.

For and on behalf of the Board of Directors

Andrew Coulton
Chairman and Executive Director

Sri Tjintawati Hartanto
Executive Director

13 November 2014