MATERIAL DIFFERENCE BETWEEN UNAUDITED FINANCIAL STATEMENTS AND AUDITED FINANCIAL STATEMENTS

The Board of Directors (the "Board") of Next-Generation Satellite Communications Limited (the "Company") and together with its subsidiaries (the "Group") refers to the unaudited full year results announcement for the financial year ended 31 March 2013 ("FY2013") released on 30 May 2013 and restated in accordance with the announcements released on 23 July 2013 and 27 August 2013 (the "Unaudited FY2013 Results").

Pursuant to Rule 704(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Board wishes to highlight that there were certain material differences between the audited financial statements for FY2013 and the Unaudited FY2013 Results following the finalisation of the audit. Details and clarifications of the differences are set out as follows:

Consolidated Statement of Comprehensive Income

	Unaudited S$'000	Audited S$'000	Difference S$'000	Please refer to Note
Revenue	**2,685**	**2,697**	**12**	n.m
Cost of sales	**(1,936)**	**(2,256)**	**(320)**	1
Gross profit	**749**	**441**	**(308)**	
Distribution expenses	**(136)**	**(137)**	**(1)**	n.m
Administrative expenses	**(3,062)**	**(3,178)**	**(116)**	n.m
Other income	**5**	**4**	**(1)**	n.m
Other expenses	**(5,512)**	**(62,702)**	**(57,190)**	2
			-	
Operating loss	**(7,956)**	**(65,572)**	**(57,616)**	
Share of loss of Joint Venture	(573)	(695)	**(122)**	3
Loss before income tax	**(8,529)**	**(66,267)**	**(57,738)**	
Income tax (expense) / credit:				
- Current	(168)	(226)	**(58)**	n.m
- Prior year	(4)	(4)	**-**	
- Deferred	118	(220)	**(338)**	4
Loss for the financial year	**(8,583)**	**(66,717)**	**(58,134)**	
Other comprehensive loss for the financial year:				
Currency translation differences arising from consolidation	(161)	(26)	**135**	5
Total comprehensive loss for the year attributable to equity holders of the Company	**(8,744)**	**(66,743)**	**(57,999)**	

Consolidated Statement of Financial Position

	Unaudited S$'000	Audited S$'000	Difference S$'000	Please refer to Note
ASSETS				
Non-current assets:				
Plant and equipment	3,241	2,909	(332)	1
Joint ventures	51,485	7,985	(43,500)	6
Goodwill	4,283	-	(4,283)	7
Deferred tax assets	332	-	(332)	4
Intangible assets	2,140	-	(2,140)	8
	61,481	**10,894**	**(50,587)**	
Current assets:				
Trade receivables	7,486	553	(6,933)	9
Other receivables,deposits and prepayment	3,486	28,561	25,075	10
Cash and bank balances	27,354	1,835	(25,519)	10
	38,326	30,949	**(7,377)**	
TOTAL ASSETS	**99,807**	**41,843**	**(57,964)**	
LIABILITIES				
Current liabilities:				
Trade payables	1,724	1,724	**-**	
Other payables and accruals	5,717	5,696	**(21)**	n.m
Income tax payable	1,350	1,406	**56**	n.m
	8,791	8,826	**35**	
TOTAL LIABILITIES	**8,791**	**8,826**	**35**	
NET ASSET	**91,016**	**33,017**	**(57,999)**	
CAPITAL AND RESERVES ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY				
Share capital	145,508	145,508	-	
Translation reserve	(635)	(500)	135	5
Capital reserve	(169)	(169)	-	
Treasury shares	(1,219)	(1,219)	-	
Accumulated losses	(52,469)	(110,603)	(58,134)	
	91,016	**33,017**	**(57,999)**	

Statement of financial position (Company)

	Unaudited S$'000	Audited S$'000	Difference S$'000	Please refer to Note
ASSETS				
Non-current assets:				
Plant and equipment	27	27	-	
Subsidiaries	41,648	7,985	(33,663)	6
	41,675	**8,012**	**(33,663)**	
Current assets:				
Other receivables,deposits and prepayment	2,546	11,955	9,409	10
Amt due from subsidiaries (non-trade)	21,660	11,003	(10,657)	11
Cash and cash equivalents	10,457	1,048	(9,409)	10
	34,663	24,006	(10,657)	
TOTAL ASSETS	76,338	32,018		
LIABILITIES				
Current liabilities:				
Other payables	1,001	1,111	110	n.m
Income tax payable	469	469	-	
	1,470	1,580	110	
TOTAL LIABILITIES	**1,470**	**1,580**	**110**	
NET ASSET	**74,868**	**30,438**	**(110)**	
CAPITAL AND RESERVES ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY				
Share capital	145,508	145,508	-	
Capital reserve	(169)	(169)	-	
Treasury shares	(1,219)	(1,219)	-	
Accumulated losses	(69,252)	(113,682)	(44,430)	
	74,868	**30,438**	**(44,430)**	

n.m – not material as amount in aggregate represents less than 3% of the revenue for the financial year ended 31 March 2013.

Notes:

(1) The increase in Cost of Sales was a result of additional depreciation charge on equipment used in our Universal Service Obligation (“USO”) sites in Indonesia. The leasing agreements of these sites were terminated in June 2014. As a result, the Group adopted a change in accounting estimate for the depreciation policy and accelerated the useful life of the equipment.

(2) The significant variance in Other Expenses was mainly attributed to the following:
- a) S$43.4 million provision for diminution in value of the Group’s investment in the China joint venture;
- b) S$4.3 million impairment of goodwill arising from the acquisition of the entire issued and paid-up capital of Multi Skies Nusantra Limited and its subsidiaries in 2011;
- c) S$2.3 million impairment of intangible asset; and
- d) S$7.0 million allowance for doubtful trade receivables.

These movements are further explained in Notes 6 to 9 below.

Notes (Continued)

(3) Due to timing differences, part of revenue previously recognised by Hughes UnifiedNet Holding (China) Company Limited ("HUH") was reversed, resulting in an increase in the Group's share of loss in the joint venture for the year.

(4) S$0.3 million deferred tax assets was reversed to income tax expense as future taxable profits available to be utilised against this provision was uncertain.

(5) Currency translation differences decreased by S$0.1 million as a result of lower trade receivables denominated in foreign currency.

(6) Following an assessment of the carrying amount of the Group's investment in its joint venture, the Group recognised an impairment loss of S$43.4 million. This impairment loss was due to the lower net fair value of identifiable assets and liabilities of the various companies comprising the joint venture as compared to its carrying amount and uncertainty of future cash flows of the underlying business.

A similar impairment of S$33.7 million was made at the Company level.

(7) Impairment loss of S$4.3 million was recognised by the Group. This arose in view of the termination of the leasing agreements of the Group's USO sites by 2 major customers in Indonesia, which would result in significant reduction in future cash flows.

(8) A lease prepayment that was booked in one of the Group's subsidiary was previously recognised as an intangible asset. This amount was fully impaired as the Group was made to vacate the office premises without receipt of any compensation.

(9) Provisions totalling S$7.0 million made against trade receivables largely relate to long outstanding amounts due from 2 customers of the Group's USO sites in Indonesia, along with the uncertainty of repayment.

(10) As previously announced in July 2012, approximately S$26.8 million and S$9.4 million placed by the Group and Company respectively with a Finance Company in Hong Kong – Niaga Finance Company Limited ("Niaga") – was restricted. For FY2013, S$25.5 million (of which S$13.3 million had since been remitted to the Group's bank account in Singapore) and S$9.4 million were reclassified in the Group and Company accounts respectively from Cash and Bank Balances to Other Receivables, Deposits and Prepayments, as the Group and Company were negotiating, and subsequent to year-end, entered into an agreement with Niaga to set out a framework towards settlement of these funds.

(11) This reduction arose from allowances made by the Company against balances due from its subsidiaries, having reviewed the underlying recoverable amounts of the same.

By Order of the Board
Next-Generation Satellite Communications Limited

Ku Vicente S.
Managing Director

9 October 2015