NEXT-GENERATION SATELLITE COMMUNICATIONS LIMITED

Co. Reg. No.196400100R

Unaudited Third Quarter Financial Statements for the Financial Period Ended 31 December 2015

As of the date of this announcement, the statutory audit for the financial years ended 31 March 2014 ("FY2014") and 31 March 2015 ("FY2015") of Next-Generation Satellite Communications Limited ("Company") has not been completed.

As such, the comparative figures for FY2015 in this announcement are based on unaudited results for the third quarter ended on 31 December 2014 which was announced on 13 February 2015 and restated in accordance with the announcement released on 9 October 2015 arising from the completion of the statutory audit for the financial year ended 31 March 2013. In the event that there are material adjustments arising from the finalisation of the audit for FY2014 and FY2015, 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 31 December 2015

	Note	Group Nine months ended 31/12/2015 (unaudited) S$'000	31/12/2014 (unaudited) (restated) S$'000	% +/(-)	Group Third quarter ended 31/12/2015 (unaudited) S$'000	31/12/2014 (unaudited) (restated) S$'000	% +/(-)
Revenue	(i)	**920**	**1,771**	(48)	**29**	**426**	(93)
Cost of sales		(159)	(694)	(77)	(45)	(177)	(75)
Gross profit		**761**	**1,077**	(29)	**(16)**	**249**	(106)
Other income	(ii)	2	1,178	(100)	1	20	n.a.
Distribution costs		-	-	n.a.	-	-	n.a.
Administrative expenses		(2,388)	(1,749)	37	(825)	(659)	25
Finance expenses, net		(165)	(136)	21	428	287	n.m.
Share of profit/(loss) of joint venture		(1,091)	479	n.m.	(473)	106	n.m.
Profit/(Loss) before tax		**(2,881)**	**849**	n.m.	**(885)**	**3**	n.m.
Income tax expense		(152)	(205)	(26)	(5)	(70)	(93)
Profit/(Loss) for the financial period	(iii)	**(3,033)**	**644**	n.m.	**(890)**	**(67)**	n.m.
Other comprehensive income/(loss):							
Currency translation differences arising from consolidation		595	760	(22)	(497)	684	(173)
Net fair value loss on available for sale financial asset		3	-	n.a	(1)	-	n.a
Total comprehensive profit/(loss) attributable to equity holders of the Company		**(2,435)**	**1,404**	n.m	**(1,388)**	**617**	(325)

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

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

	Group Nine months ended			Group Third quarter ended		
	31/12/2015 (unaudited)	**31/12/2014** (unaudited) (restated)	**%**	**31/12/2015** (unaudited)	**31/12/2014** (unaudited) (restated)	**%**
	S$'000	S$'000	+/(-)	S$'000	S$'000	+/(-)
(i) Revenue						
Rental income	-	530	(100)	-	-	n.a.
Interest income on available-for-sale financial assets	920	1,241	(26)	29	426	(93)
	920	1,771	(48)	29	426	(93)
(ii) Other income						
Interest income	2	-	100	1	-	100
Others	-	7	(100)	-	7	(100)
Waiver of debts from trade payable	-	1,171	(100)	-	13	(100)
	2	1,178	(100)	1	20	(95)
(iii) Total profit/(loss) for the financial period is derived after crediting (charging) the following:						
Depreciation of plant and equipment	(176)	(672)	(74)	(50)	(181)	(72)
Foreign exchange loss, net	(162)	(136)	19	431	287	50
Income tax - current	(152)	(205)	(26)	(5)	(70)	(93)

1(b) 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 31/12/2015 (unaudited)	As at 31/3/2015 (unaudited) (restated)	As at 31/12/2015 (unaudited)	As at 31/3/2015 (unaudited) (restated)
	S$'000	S$'000	S$'000	S$'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	330	327	-	-
Foreign currency translation reserves	2,000	1,405	-	-
	2,161	1,563	(169)	(169)
Accumulated losses	(115,616)	(112,583)	(118,398)	(116,486)
TOTAL EQUITY	30,834	33,269	25,722	27,634
ASSETS				
Non-current assets				
Plant and equipment	473	667	24	37
Goodwill	735	736	-	-
Subsidiaries	-	-	32,007	32,007
Joint ventures	6,325	7,459	-	-
Current assets				
Trade receivables	2,566	2,633	-	-
Other receivables, deposits and prepayments	5,897	5,863	2,225	2,648
Due from subsidiaries (non-trade)	-	-	5,293	4,888
Available-for-sale financial assets	25,805	25,111	-	-
Cash and bank balances	254	247	242	207
	34,522	33,854	7,760	7,743
TOTAL ASSETS	42,055	42,716	39,791	39,787
LIABILITIES				
Current liabilities				
Trade payables	460	470	-	-
Other payables and accruals	9,252	7,620	3,550	2,201
Due to subsidiaries (non-trade)	-	-	10,519	9,952
Income tax payable	1,509	1,357	-	-
	11,221	9,447	14,069	12,153
TOTAL LIABILITIES	11,221	9,447	14,069	12,153
NET ASSETS	30,834	33,269	25,722	27,634

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

Amount repayable in one year or less, or on demand

As at 31/12/15 (unaudited)		As at 31/03/15 (unaudited)	
Secured	**Unsecured**	**Secured**	**Unsecured**
S$'000	S$'000	S$'000	S$'000
-	-	-	-

Amount repayable after one year

As at 31/12/15 (unaudited)		As at 31/03/15 (unaudited)	
Secured	**Unsecured**	**Secured**	**Unsecured**
S$'000	S$'000	S$'000	S$'000
-	-	-	-

Details of any collaterals

Not applicable.

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

	Group Nine months ended		Group Third quarter ended	
	31/12/2015 (unaudited)	**31/12/2014** (unaudited) (restated)	**31/12/2015** (unaudited)	**31/12/2014** (unaudited) (restated)
	S$'000	S$'000	S$'000	S$'000
Cash flows from operating activities				
(Loss) / Profit before tax	(2,881)	866	(885)	22
Adjustments:				
Depreciation of plant and equipment	176	672	50	181
Interest expenses	3	-	3	-
Share of (profit)/loss of joint venture	1,098	(479)	473	(106)
Unrealised foreign exchange differences	25	(50)	(402)	(408)
Waiver of debts from trade payable	-	(1,178)	-	(19)
Operating profit / (loss) before working capital changes	(1,579)	(169)	(761)	(330)
Trade receivables	-	(533)	-	(1)
Other receivables, deposits and prepayments	(405)	(469)	(4)	162
Other payables and accruals	1,621	722	619	292
Cash (used in) generated from operations	(363)	(449)	(146)	123
Income tax paid	-	-	-	-
Net cash (used in) generated from operating activities	(363)	(449)	(146)	123
Cash flows from financing activities				
Interest expenses	(3)	-	(3)	-
Repayment from a related party	371	-	371	-
Net cash generated from financing activities	368	-	368	-
Net decrease in cash and cash equivalents	5	(449)	222	123
Effects of exchange rate changes in cash and cash equivalents	2	2	-	-
Cash and cash equivalents at beginning of financial period	247	740	32	170
Cash and cash equivalents at end of financial period	254	293	254	293

1(e) 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 31 December 2015

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 2015 (unaudited)	**145,508**	**(1,219)**	**(169)**	**327**	**1,405**	**(112,583)**	**33,269**
Loss for the financial period	-	-	-	-	-	(3,033)	(3,033)
Other comprehensive profit, net of tax	-	-	-	3	595	-	598
Total comprehensive loss for the financial period	-	-	-	3	595	(3,033)	(2,435)
Balance at 31 December 2015 (unaudited)	**145,508**	**(1,219)**	**(169)**	**330**	**2,000**	**(115,616)**	**30,834**

	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) (restated)	**145,508**	**(1,219)**	**(169)**	**220**	**(215)**	**(112,470)**	**31,655**
Profit for the financial period	-	-	-	-	-	661	661
Other comprehensive profit, net of tax	-	-	-	-	907	-	907
Total comprehensive profit for the financial period	-	-	-	-	907	661	1,568
Balance at 31 December 2014 (unaudited) (restated)	**145,508**	**(1,219)**	**(169)**	**-**	**692**	**(111,809)**	**33,223**

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 2015, (unaudited)	**145,508**	**(1,219)**	**(169)**	**(116,486)**	**27,364**
Loss for the financial period	-	-	-	(1,912)	(1,912)
Total comprehensive loss for the financial period	-	-	-	(1,912)	(1,912)
Balance at 31 December 2015 (unaudited)	**145,508**	**(1,219)**	**(169)**	**(118,398)**	**25,722**

	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) (restated)	**145,508**	**(1,219)**	**(169)**	**(114,985)**	**29,135**
Loss for the financial period	-	-	-	(811)	(811)
Total comprehensive loss for the financial period	-	-	-	(811)	(811)
Balance at 31 December 2014 (unaudited) (restated)	**145,508**	**(1,219)**	**(169)**	**(115,796)**	**28,324**

1(f) 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**	
	2015	**2014**
Balance at 1 October and 31 December	6,410,535,828	6,410,535,828

1(g) Outstanding convertibles

The Company did not have any outstanding share convertibles as at 31 December 2015 and 31 December 2014.

1(h) Treasury shares

Included in the above issued ordinary shares as at 31 December 2015 was 24,200,000 (31 December 2014: 24,200,000) treasury shares held by the Company.

1(h)(a) 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 31/12/2015	**As at 31/03/2015**
Total number of issued shares including treasury shares	6,410,535,828	6,410,535,828
Treasury shares	24,200,000	24,200,000
Total number of issued shares excluding treasury shares	6,386,335,828	6,386,335,828

1(h)(b) 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.

There were no sales, transfer, disposals, cancellations and/or use of treasury shares by the Company during the financial period ended 31 December 2015

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 methods 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 2013 as per the announcement dated 9 October 2015.

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 Nine months ended		Group Third quarter ended	
	31/12/15 (cents)	**31/12/14** (cents) (restated)	**31/12/15** (cents)	**31/12/14** (cents) (restated)
(Loss) / Profit per share attributable to the equity holders of the Company				
- basic	(0.04)	0.02	(0.02)	0.01

As the Company does not have any outstanding share convertibles for the nine months and third quarter ended 31 December 2015 and 31 December 2014, the diluted (loss) / profit per share is the same as basic (loss) / profit 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 31/12/15 (unaudited) (cents)	**As at 31/03/15** (unaudited) (cents) (restated)	**As at 31/12/15** (unaudited) (cents)	**As at 31/03/15** (unaudited) (cents) (restated)
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares	0.48	0.52	0.40	0.43

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

Revenue for the nine months ended 31 December 2015 ("9M16") fell 48% to S$0.9 million, compared to S$1.8 million for the nine months ended 31 December 2014 ("9M15"). This was due to the absence of rental income following the termination and non-renewal of the Group's Universal Service Obligation ("USO") contracts in Indonesia at the end of June 2014, as well as the waiver of interest income from the convertible notes with effect from 5 October 2015, in compliance with the order issued by the Court of Hong Kong on 6 January 2016. The announcement on the waiver of interest income was made by the Group on 8 January 2016.

Cost of sales declined to S$0.2 million in 9M16, from S$0.7 million in 9M15, in line with the termination and non-renewal of the USO contracts and primarily due to USO equipment being fully depreciated in 9M15.

Other income in 9M16 was significantly lower year-on-year, in view of a S$1.1-million waiver of debt in 9M15 incurred by the Group for the purchase of equipment.

Higher administrative expenses of S$2.4 million in 9M16, compared to S$1.7 million in 9M15, arose as a result of large professional fees being incurred in the form of consultancy and legal costs.

The Group recorded a S$1.1 million share of loss from its joint venture in China in 9M16, compared to a share of profit of S$0.5 million in 9M15. This highlights the challenges the joint venture continues to face for its satellite broadband products and services in China.

Overall, the Group recorded a net loss of S$2.4 million for 9M16 compared to net profit of S$1.4 million for 9M15.

Statement of Financial Position

As at 31 December 2015, the value of plant and equipment amounted to S$0.5 million, compared to S$0.7 million as at 31 March 2015. This took into account a S$0.1 million depreciation of assets and a S$0.1 million foreign exchange translation difference in relation to IDR-denominated assets.

The share of loss from the Group's joint venture also resulted in a lower net carrying value of the joint venture in the books.

Other receivables, deposits and prepayments balances were maintained at S$5.9 million as at 31 December 2015. A S$0.4-million accrual of interest income on the Group's convertible notes was offset by a S$0.4-million partial repayment of an outstanding loan to a related party.

As at 31 December 2015, the available-for-sale financial assets of S$26.0 million reflected the fair value of the two convertible notes held by subsidiary companies Arch Capital Limited and Hillgo Asia Limited.

Other payables and accruals were higher at S$9.3 million, compared to S$7.6 million a year ago, as the result of higher professional fees incurred by the Group.

Cash Flow

The Group's cash and cash equivalents as at 31 December 2015 stood at S$254,000.

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).

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.

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 half year ended 30 September 2015 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 continues to work towards 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.

In the meantime, the Group continues to seek out opportunities for business development and investment, in order to build a sustainable income stream.

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 nine months ended 31 December 2015.

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 undertakings 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

Andrew Coulton
Chairman and Executive Director

5 February 2016

NEXT-GENERATION SATELLITE COMMUNICATIONS LIMITED

Co. Reg. No.196400100R

Unaudited Third quarter Financial Statements for the Financial Period Ended 31 December 2015

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 THIRD QUARTER ENDED 31 DECEMBER 2015

We, Andrew Coulton and Ku Vicente S., 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 Third quarter and the Nine months ended 31 December 2015 to be false or misleading in any material aspect.

For and on behalf of the Board of Directors

Andrew Coulton
Chairman and Executive Director

Ku Vicente S.
Managing Director and Chief Executive Officer

5 February 2016