NEXT-GENERATION SATELLITE COMMUNICATIONS LIMITED

Co. Reg. No.196400100R

Unaudited Full Year Financial Statements for the Financial Year Ended 31 March 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 Year Ended 31 March 2017

		Group Financial year ended		
	Note	**31 Mar 2017** (Unaudited)	**31 Mar 2016** (Audited) (Restated)	**%**
		S$'000	S$'000	+/(-)
Revenue	(i)	**-**	**923**	n.m.
Cost of sales		-	(21)	n.m.
Gross profit		**-**	**902**	n.m.
Other income	(ii)	1,520	6	n.m.
Other expense	(iii)	-	(2,657)	n.m.
Administrative expenses		(3,770)	(2,961)	27
Share of losses of joint venture		(1,287)	(1,757)	(27)
Loss before tax		**(3,537)**	**(6,467)**	(45)
Income tax expense		-	(152)	n.m.
Loss for the financial year		**(3,537)**	**(6,619)**	(47)
Other comprehensive loss:				
Currency translation differences arising from consolidation		213	88	n.m.
Total comprehensive loss attributable to equity holders of the Company		**(3,324)**	**(6,531)**	(49)

Note:
n.m. – not meaningful

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

	Group Financial year ended		
	31 Mar 2017 (unaudited)	**31 Mar 2016** (audited) (restated)	**%**
	S$'000	S$'000	+/(-)
(i) Revenue			
Interest income on financial assets at fair value through profit or loss	-	923	n.m
(ii) Other income			
Interest income	797	5	n.m
Foreign exchange gain	313	-	n.m
Fair value gain on financial assets at fair value through profit or loss	410	1	n.m
	1,520	6	
(iii) Other expenses			
Impairment loss on other receivables	-	(1,587)	n.m
Impairment loss on goodwill	-	(735)	n.m
Foreign exchange loss	-	(328)	n.m
Income tax - current	-	(152)	n.m

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 Mar 2017 (unaudited)	As at 31 Mar 2016 (audited) (restated)	As at 31 Mar 2017 (unaudited)	As at 31 Mar 2016 (audited) (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)
Foreign currency translation reserves	1,942	1,729	-	-
	1,773	1,560	(169)	(169)
Accumulated losses	(100,007)	(96,470)	(95,183)	(98,751)
TOTAL EQUITY	46,055	49,379	48,937	45,369
ASSETS				
Non-current assets				
Plant and equipment	9	23	5	20
Subsidiaries	-	-	57,863	57,863
Joint ventures	30,286	31,798	-	-
Current assets				
Other receivables, deposits and prepayments	1,539	1,472	1,188	1,196
Due from subsidiaries (non-trade)	-	-	5,288	-
Cash and bank balances	23,124	677	23,092	113
Financial assets at fair value through profit or loss	-	24,645	-	-
	24,663	26,794	29,568	1,309
TOTAL ASSETS	54,958	58,615	87,436	59,192
LIABILITIES				
Current liabilities				
Trade payables	235	228	-	-
Other payables and accruals	7,151	7,538	1,814	2,273
Due to subsidiaries (non-trade)	-	-	36,685	11,550
Income tax payable	1,517	1,470	-	-
	8,903	9,236	38,499	13,823
TOTAL LIABILITIES	8,903	9,236	38,499	13,823
NET ASSETS	46,055	49,379	48,937	45,369

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

Amount repayable in one year or less, or on demand

As at 31/03/2017 (unaudited)		As at 31/03/2016 (audited)	
Secured	**Unsecured**	**Secured**	**Unsecured**
S$'000	S$'000	S$'000	S$'000
-	-	-	-

Amount repayable after one year

As at 31/03/2017 (unaudited)		As at 31/03/2016 (audited)	
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 Financial year ended 31 Mar 2017 (unaudited) S$'000	 31 Mar 2016 (audited) (restated) S$'000
Cash flows from operating activities		
Loss before tax	(3,537)	(6,467)
Adjustments:		
Impairment loss on other receivables	-	1,587
Impairment loss on goodwill	-	735
Depreciation	14	38
Share of loss of joint venture	1,287	1,757
Unrealised foreign exchange differences	(5)	42
Interest income	(797)	-
Operating loss before working capital changes	(3,038)	(2,308)
Trade receivables	-	1,316
Other receivables, deposits and prepayments	(62)	97
Other payables and accruals	(402)	424
Financial assets at fair value through profit or loss	-	466
Interest received	797	-
Net cash used in operating activities	(2,705)	(5)
Cash flows from investing activities		
Repayment from other receivables	-	405
Net cash generated from investing activities	-	405
Cash flows from financing activities		
Redemption of convertible notes	25,152	-
Net cash generated from financing activities	25,152	-
Net increase in cash and cash equivalents	22,447	400
Cash and cash equivalents at beginning of financial year	677	277
Cash and cash equivalents at end of financial year	23,124	677

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 Year ended 31 March 2017

Group	Share capital	Treasury shares	Capital reserve	Translation reserve	Accumulated losses	Total Equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 April 2016 (audited) (restated)	**145,508**	**(1,219)**	**(169)**	**1,729**	**(96,470)**	**49,379**
Loss for the financial year	-	-	-	-	(3,537)	(3,537)
Other comprehensive income, net of tax	-	-	-	213	-	213
Total comprehensive income/(loss) for the financial year	-	-	-	213	(3,537)	(3,324)
Balance at 31 March 2017 (unaudited)	**145,508**	**(1,219)**	**(169)**	**1,942**	**(100,007)**	**46,055**

	Share capital	Treasury shares	Capital reserve	Translation reserve	Accumulated losses	Total Equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 April 2015, (audited) (restated)	**145,508**	**(1,219)**	**(169)**	**1,641**	**(89,851)**	**55,910**
Loss for the financial year	-	-	-	-	(6,619)	(6,619)
Other comprehensive income, net of tax	-	-	-	88	-	88
Total comprehensive income/(loss) for the financial year	-	-	-	88	(6,619)	(6,531)
Balance at 31 March 2016 (audited) (restated)	**145,508**	**(1,219)**	**(169)**	**1,729**	**(96,470)**	**49,379**

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 2016 (audited) (restated)	**145,508**	**(1,219)**	**(169)**	**(98,751)**	**45,369**
Loss for the financial year	-	-	-	(1,122)	(1,122)
Total comprehensive loss for the financial year	-	-	-	(1,122)	(1,122)
Balance at 31 March 2017 (unaudited)	**145,508**	**(1,219)**	**(169)**	**(99,873)**	**44,247**

	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, (audited) (restated)	**145,508**	**(1,219)**	**(169)**	**(95,199)**	**48,921**
Loss for the financial year	-	-	-	(3,552)	(3,552)
Total comprehensive loss for the financial year	-	-	-	(3,552)	(3,552)
Balance at 31 March 2016 (audited) (restated)	**145,508**	**(1,219)**	**(169)**	**(98,751)**	**45,369**

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**	
	2017	**2016**
Balance at 1 January and 31 March	6,410,535,828	6,410,535,828

1(g) Outstanding convertibles

The Company did not have any outstanding share convertibles as at 31 March 2017 and 31 March 2016.

1(h) Treasury shares

Included in the above issued ordinary shares as at 31 March 2017 were 24,200,000 (31 March 2016: 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 31/03/2017	**As at 31/03/2016**
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 year ended 31 March 2017.

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 2016 as per the announcement dated 30 May 2016.

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 Financial year ended **31/03/2017** (cents)	 **31/03/2016** (cents) (audited) (restated)
Loss per share attributable to the equity holders of the Company - basic	0.05	0.10

As the Company does not have any outstanding share convertibles for the financial year ended 31 March 2017 and 31 March 2016, 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 31/03/2017 (unaudited) (cents)	**As at 31/03/2016** (audited) (restated) (cent)	**As at 31/03/2017** (unaudited) (cents)	**As at 31/03/2016** (audited) (restated) (cent)
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares	0.72	0.77	0.69	0.71

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 did not generate any revenue during the financial year ended 31 March 2017. This was mainly due to the waiver of interest income from the convertible notes extended to the issuer with effect from 5 October 2015. This waiver was in consideration for the issuer's consent to 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.

Other income of S$1.5 million for FY2017 mainly consists of S$0.8 million of interest income of 8% per annum on the convertible notes and the reversal of fair value reserve arising from the successful redemption of the convertible notes on 2 November 2016 which amounted to S$0.4 million.

In view of the strengthening of the Hong Kong dollar ("HKD") against the Singapore Dollar ("SGD"), the Group recognised an exchange gain of S$0.3 million in FY2017, versus an exchange loss of S$0.3 million in FY2016.

The Group recorded a loss of S$1.3 million from its joint venture in China in FY2017, compared to a loss of S$1.8 million in FY2016. This highlighted the challenges the joint venture faced in the sale of its satellite broadband products and services in China in FY2017.

Taking the above into account, the Group recorded a net loss of $3.3 million for FY2017 compared to a net loss of S$6.5 million for FY2016.

Statement of Financial Position

As at 31 March 2017, the value of plant and equipment amounted to S$9,000, compared to S$23,000 as at 31 March 2016. This was due to a depreciation charge of S$14,000 during the financial year.

Included in Other receivables, deposits and prepayment 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$1.1million. The shares are held in custody and the Group has the economic and monetary rights and benefits as per announced by the Group on 20 February 2017.

Financial assets at fair value through profit or loss of S$24.6 million as at 31 March 2016 has been reclassified to cash and bank balances due to the successful redemption of the financial assets with the principal amount of HK$144 million, which amounted to approximately S$26.0 million. The announcement of the successful redemption was made by the Group on 2 November 2016.

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 payables and accruals mainly consist of deferred liabilities, provision for directors' fee and accruals amounting to approximately S$4.2 million, S$1.3 million and S$0.7 million respectively.

The slight increase in income tax payables mainly was due to translation difference between Indonesia Rupiah ("RP") and Hong Kong Dollar ("HKD") against Singapore Dollar ("SGD") as the tax payables are denominated in IDR and HKD.

Cash Flow
The Group's cash and cash equivalents as at 31 March 2017 stood at S$23 million.

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 financial period ended 31 December 2016 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.

On 27 April 2017, the Group has entered into a loan agreement with Zhong Ping Trading Development Company Limited ("ZP") and Tam Man Wai ("Mark Tam") in connection with the grant of a loan to the ZP of the principal amount of up to S$3 million (the "loan"). The Group has decided to grant the loan as it is an opportunity and preliminary steps towards considering future investment in ZP, subject to due diligence and other matters to be considered in the event the Company decides to invest further in ZP. Meanwhile, the Company can derive interest income from the loan.

On 17 May 2017, the loan has taken place in accordance with the term and conditions of the Loan Agreement, and the Company has disbursed the loan to ZP.

On 17 May 2017, the Group entered into a non-binding letter of intent ("LOI") with Grand Harvest Resource Holdings Limited ("Vendor") and Mark Tam. Pursuant to the LOI, the parties intends to explore for the Vendor to grant to the Group a call option to acquire up to 65% of the equity interest in ZP (the "Call Option") and in the event the Group decides to exercise the Call Option, the Group will consider the option of satisfying the exercise price by issuing such number of ordinary shares in the share capital of the Company at an issue price to be agreed and determined by the parties. This is in line with the Group's intention to consider future investment in ZP.

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 year ended 31 March 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 undertakings from all of its directors and executive officers (in the format as set out in Appendix 7.7) under Rule 720(1)

Yes.

PART II- ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Segment Information – Geographical Segment

2017	Building, operating and leasing USO equipment, provision data center and connectivity service $'000	Corporate (Interest Income from convertible notes) $'000	Unallocated $'000	Group $'000
Revenue				
External sales	-	-	-	-
Segment results				
Income/(loss) from operations	(66)	(1,389)	(2,315)	(3,770)
Other expenses	-	-	-	-
Other income	1	-	1,519	1,520
Share of loss of joint venture	(1,287)	-	-	(1,287)
Loss before tax				(3,537)
Income tax expense				-
Loss after tax				(3,537)
Segment assets representing consolidated total assets	30,438	28	24,492	54,958
Segment liabilities	991	56	6,340	7,387
Unallocated liabilities				
- Income tax payable	768	748	-	1,516
Consolidated total liabilities				8,903
Non-current assets	30,286	-	9	30,295
Other segment items				
Depreciation of property, plant and equipment	-	-	14	14

Segment Information – Geographical Segment (Cont'd)

2016	Building, operating and leasing USO equipment, provision data center and connectivity service $'000	Corporate (Interest Income from convertible notes) $'000	Unallocated $'000	Group $'000
Revenue				
External sales	-	923	-	923
Segment results				
Income/(loss) from operations	(264)	809	(2,604)	(2,059)
Other expenses	(110)	(720)	(1,827)	(2,657)
Other income	5		1	6
Share of loss of joint venture	(1,757)	-	-	(1,757)
Loss before tax				(6,467)
Income tax expense				(152)
Loss after tax				(6,619)
Segment assets representing consolidated total assets	32,138	25,139	1,338	58,615
Segment liabilities	1,139	54	6,573	7,766
Unallocated liabilities - Income tax payable	745	725	-	1,470
Consolidated total liabilities				9,236
Non-current assets	31,798	-	23	31,821
Other segment items				
Depreciation of property, plant and equipment	21	-	17	38
Impairment loss on goodwill	-	-	-	735
Impairment loss on other receivables	-	-	1,587	1,587

16. In the review of the performance, the factors leading to any material changes in contributions to turnover and earnings by business or geographical segments.

Please refer to preceding paragraph 8.

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

	Group	
	Financial year ended	
	31/03/2017	31/03/2016
	(unaudited)	(audited) (restated)
	S$'000	S$'000
Ordinary	-	-
Preference	-	-
Total	-	-

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement.

There is no person occupying a managerial position in the Company or any of the Company's principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company during the financial year ended 31 March 2017.

By Order of the Board
Next-Generation Satellite Communications Limited

Ku Vicente. S
Managing Director and Chief Executive Officer

30 May 2017